WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

ANNUAL REPORT 2009

A year of transition and opportunity

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Peter Goldmark
Commissioner of Public Lands

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A year of transition and opportunity

A Message from the Commissioner of Public Lands

Peter Goldmark,
a statewide elected official, is Washington's thirteenth Commissioner of Public Lands since statehood in 1889.

I am humbled by Washington State's past leaders who had the foresight to retain so many lands granted to us at statehood for the benefit of future generations. It is a privilege to manage in trust the multitude of natural resources that our state's citizens can enjoy for environmental benefit and economic and recreation opportunities.

While our lands provide us vast opportunities, the past year has been witness to historic economic challenges across the country and at the Washington State Department of Natural Resources (DNR). Compounded by an historic drop in the timber market and a 22 percent cut in State General Fund support, DNR had to absorb more than $58 million in cuts over the 2009 calendar year.

Our management team and staff met these challenges and excelled.

When I began my tenure as the Commissioner of Public Lands, I imparted to management and staff that we must be stewards of the public's resources by living up to three principles:

- Manage the State's resources sustainably.
- Make decisions based on sound science.
- Make decisions in the public interest and with the public's knowledge.

We are living up to these principles and moving the Department forward.

We have renewed our commitment to the clean-up and recovery of Puget Sound by taking a leadership role in the sustainable management of our aquatic lands.

We remain committed to keeping 'working lands' working by maintaining the sustainable timber harvest volume and reaching out to small forest landowners to help keep them on the land.

This year has also given way to new and exciting opportunities that will help DNR be resilient in the face of any future economic downturn. I initiated our Forest Biomass Initiative to create jobs and green, renewable energy from our forests. We are also exploring new opportunities with wind power and enhancing our revenues from agricultural and aquatic lands.

Our work cannot be defined by the size of our budget. We will continue to protect and manage Washington's rich diversity of ecosystems for revenue and conservation far into the future. I have expanded the boundaries of and created new Natural Area Preserves and Natural Resources Conservation Areas. We are acquiring lands at risk of conversion, like the Raging River in King County.

From protecting aquatic lands in Willapa Bay to protecting homes from wildfire in Colville, DNR is working throughout the state on behalf of the people of the state.

Yours in stewardship,

PETER GOLDMARK
COMMISSIONER OF PUBLIC LANDS

MOUNT SI NATURAL RESOURCES CONSERVATION AREA (NRCA). PHOTO BY KELLY HEINTZ/DNR

“Our work cannot be defined by the size of our budget. We will continue to protect and manage Washington’s rich diversity of ecosystems for revenue and conservation far into the future.”

PETER GOLDMARK
COMMISSIONER OF
PUBLIC LANDS

Managing Challenges...

DNR also felt the impact of the national recession that has been a financial challenge to citizens, businesses, and local governments throughout Washington State.

Shortly after taking office in January 2009, Commissioner of Public Lands Peter Goldmark was confronted by rapidly deteriorating agency revenues related to the national recession that started in 2008. At the time of his inauguration, the agency's approved spending had exceeded revenues in nine of the previous ten years. At that pace, balances in critical operating funds would soon become deficits. In response, the Commissioner worked with DNR region and division managers to reduce overall expenditures for agency activities, find new efficiencies and explore new revenue opportunities.

Impact of Markets

The trend of depressed timber prices, fewer bidders for timber sales and fewer completed sales led to projections of a $30 million hole in the uplands portions of DNR's Resources Management Cost Account (RMCA). The account, which supports reforestation, preparing timber sales, and other land management activities, would be several million dollars in the red by the end of FY 2009 (June 30, 2009). Commissioner Goldmark took action by approving an immediate 20 percent reduction in biennial uplands-related RMCA expenditures, which was carried forward into the 2009-11 Biennium. As timber prices dropped further over the spring months, an additional $4 million in cuts was enacted to sustain a thin-but-positive fund balance into the new biennium. By the end of FY 2009, only 556 million board feet (mbf) of timber was sold due to no-bids and low prices—115 mbf less than the 670 mbf planned.

State General Fund Cuts

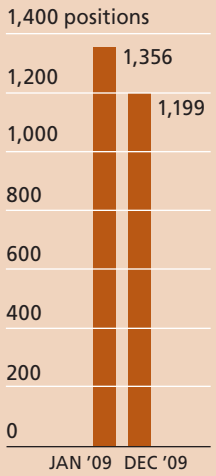
The 2009 Legislature reduced DNR's funding from the State General Fund by 22 percent ($23.2 million) for FY 2010, and an additional $17 million in the agency's capital funds were swept to balance the State's budget. The result was deep cuts in several DNR programs including the reduction of services at dozens of DNR-managed recreation sites.

Staff Reductions

DNR enacted spending cuts in 2009 to restore a positive balance to the uplands portion of the RMCA and respond to State General Fund cuts. The workforce reduction resulted in DNR's permanent, year-round employee workforce falling from 1,356 in January 2009 to 1,199 the following December—an 11.5 percent drop (see Chart: Workforce Reduced in 2009). Behind the numbers, 114 employees no longer work for the agency as a result of the cutbacks while 119 others were moved into different (and sometimes lower-paying) positions in the workforce.

Reduced Funding

DNR's FY 2010 funding **dropped 18 percent** from FY 2009 funding levels due to cuts in the State General Fund, sweeps of fund balances, and reduced revenue from trust land management.



Workforce Reduced in 2009

Funding reductions and market-based revenue lowered DNR's permanent, year-round workforce from 1,356 employees in January 2009 to 1,199 in December 2009—**an 11.5 percent reduction**.

DNR's work force was reduced by 157 permanent year-round positions in 2009.

... and Seeking Opportunities

As DNR worked throughout 2009 to close gaps in the current biennium's budget, it also sought new opportunities for greater efficiency and stronger, more dependable long-term revenue to trust beneficiaries. DNR's approach included:

New Efficiencies

- Reorganizing and combining divisions to reduce management and staffing costs. The Commissioner of Public Lands also reduced salaries and positions in the Department's executive office, projected to reduce budgeted spending by about $1 million in the 2009-11 Biennium.
- Refocusing wildland firefighting efforts. A quick-strike strategy produced better results on the ground (fewer acres burned than average) while maintaining safety to personnel and saving millions of dollars (page 7).
- Paving the way to improve trust land revenue performance. Acquisitions (page 10), and exchanges (page 11) are blocking up good quality state trust forestlands.
- Laying the groundwork for adding productive forestlands and other natural resource lands to the trust land portfolios through the Trust Land Transfer (TLT) Program and future TLT actions (pages 12-13).

Greater Transparency

DNR increased its emphasis on public outreach and transparency by:

- Using its website to distribute timber sales packets, saving $36,000 a year in the process.
- Posting online more maps, survey records, and data about geologic hazards and landslides.
- Placing more sales packets and other information online to foster transparency in the agency's leasing and sales of agricultural, timber, and aquatic and natural resources.
- Communicating more often and more directly to the public through 'social media', including a daily updated blog, Facebook page, Twitter feed, and YouTube video channel.

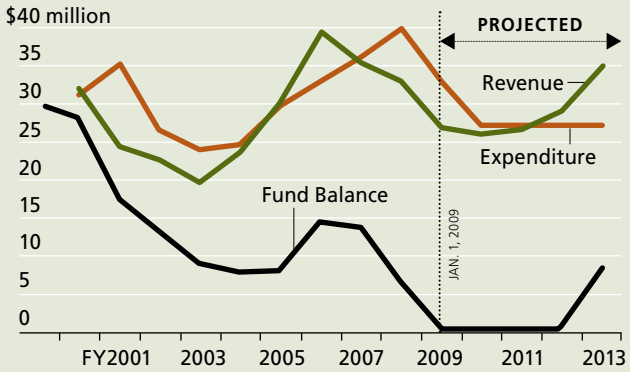
BLOG TWITTER YOUTUBE FACEBOOK FLICKR

Creative Approaches

To counter-balance the fluctuations and wild price swings that are endemic to commodities such as timber, DNR sought new strategies for:

- Initiating no-cost, but potentially high-return, pilot projects with new green energy partners to develop forest biomass renewable energy, healthier forests, better long-term trust revenue and more jobs in rural communities (see page 6).
- Marketing key natural resources products aggressively through more contract harvesting of timber and advancing timber volumes from the record low sales prices of the 2009-11 Biennium into the potentially better markets of the 2011-13 Biennium (see "Timber Harvest Volume Sold…," page 6).
- Seeking out more opportunities to develop aquatic and dispersed upland resources and products—areas that show steady returns in contrast to the performance of timberlands—for the trusts and other public beneficiaries.

WILD HORSE WIND AND POWER FACILITY. PHOTO COURTESY OF PUGET SOUND ENERGY



RMCA (UPLANDS) FUND

In nine out of the past 10 years, annual expenditures were greater than revenues in the uplands portion of the Resource Management Cost Account. Revenues from DNR management (sales, leases, etc.) of upland state grant lands go to trust land beneficiaries and agency operations. In 2009, DNR made steep cuts in several programs to prevent the fund from going to a negative balance.

Economic Benefits and Public Safety

Finding market-based opportunities to keep Washington's working lands working.

Forest Biomass Initiative

The state's first coordinated pilot projects to produce clean, renewable energy from woody (forest) biomass from state trust lands got underway this year. The 2009 Legislature approved legislation, requested by Commissioner of Public Lands Peter Goldmark, to authorize DNR to partner with private industry to create four forest biomass pilot projects—two on each side of the Cascade Range. The measure, which was signed into law on Earth Day by Gov. Chris Gregoire, will:

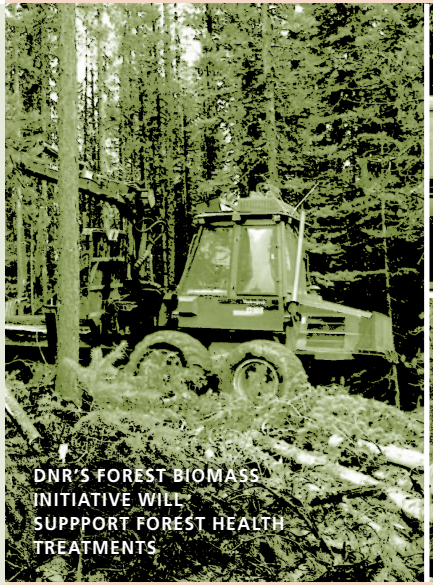
- Provide income for forest landowners while improving forest health
- Create rural jobs
- Reduce wildfires and greenhouse gas emissions
- Aid in the production of renewable energy

Biomass can come from thinning overcrowded and fire-prone tree stands, or from slash left after timber harvests. Incubating a market to remove and use this traditionally low-valued wood in ecologically sustainable ways may help attract more private investments into this green energy source.

Small Forest Landowners Key to Viable Working Forests

This year, Commissioner Goldmark intensified DNR's efforts to work with small forest landowners to develop policies that can keep them and their forests working through the current economic downturn and over the longterm. In December 2009, Goldmark brought together small forest landowners, Washington State tribes, the conservation community, and other state agencies to discuss practical and mutually agreeable solutions to keeping lands in long-term forestry.

▶ Even in a severely depressed timber market, DNR worked to maintain its sustainable timber harvest volume targets (see chart, right). DNR plans to make up for lost FY 2009 volume (due to many no-bids) through higher sales volume in FY 2010.

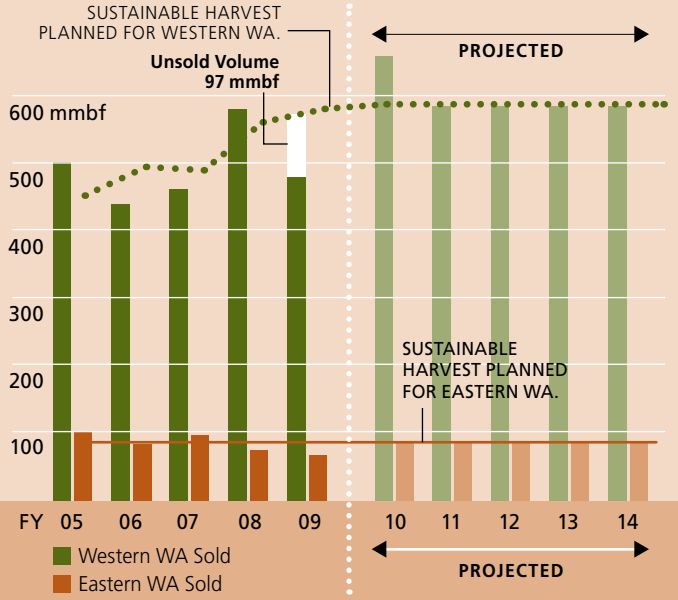


DNR'S FOREST BIOMASS INITIATIVE WILL SUPPPORT FOREST HEALTH TREATMENTS

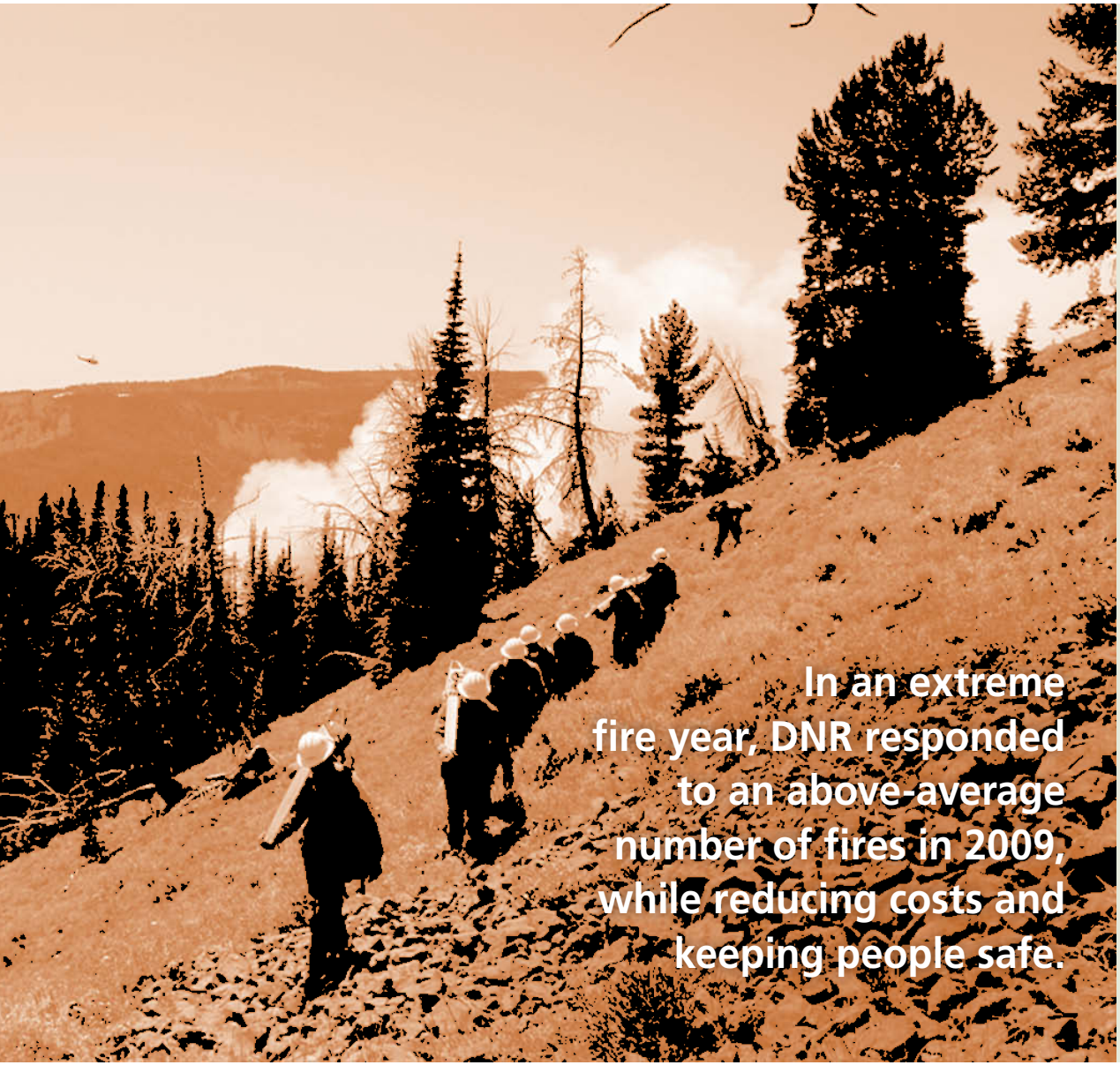
DNR KEEPS CONTROL ON HAZARDOUS 2009 FIRE SEASON

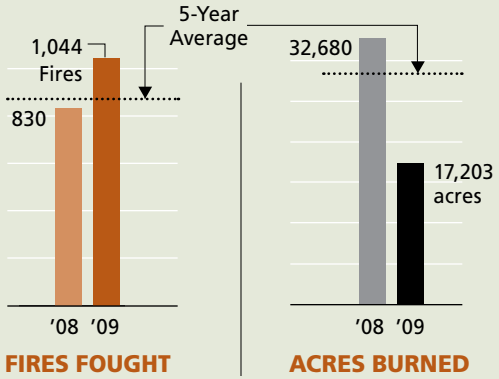
BETTER COLLABORATION TO HELP SMALL FOREST LANDOWNERS

Timber Harvest Volume Sold and Projected Sustainable Targets



▼ Started by lightning on July 11, 2009, the 'Forrest Fire' burned more than 200 acres of DNR-protected forestland in the Green Lake area of the Ahtanum State Forest, 30 miles west of Yakima.





Fire Program 2009

During 2009, DNR developed and implemented a plan to balance budget goals with firefighting needs. Last year, temperatures heated to record or near-record levels on both sides of the Cascades. Despite responding to a higher-than-average number of fires in historically dangerous fire conditions, the Department's strategy avoided about $5.2 million in additional spending. It did so by improving firefighting-effectiveness and taking cost efficiency steps. DNR crews also substantially reduced the number of acres burned this year compared with recent years.

Most importantly, no deaths or major injuries were incurred in the efforts.

In the 2009 fire season:

- 1,044 fires were fought by DNR crews—17 percent more than the 5-year average
- 40 percent fewer acres (17,203) than the 5-year average burned in the Department's 12.7 million acre jurisdiction
- 94.8 percent of the fires (in FY 09) were kept to less than 10 acres (exceeding the performance goal of 93 percent)

Aquatic Lands Make Economic Contributions

Economic opportunities above and below the water on state-owned aquatic lands steadily produce revenue used to restore Puget Sound's health.

Assessment of State-Owned Aquatic Tidelands

From statehood in 1889 until 1971, the Legislature allowed for the sale of state-owned tidelands for shellfish aquaculture and other businesses. On-the-ground surveys were scarce during those years. Today, thousands of private ownerships are mixed with state-owned tidelands along Puget Sound, Strait of Juan de Fuca and coastal bays.

A trespass by a shellfish company prompted Commissioner of Public Lands Peter Goldmark to tackle the issue. His goal: prevent further trespasses and protect the resources and use of state-owned lands for the public's benefit. In July 2009, he directed staff to conduct an assessment of state-owned tidelands. DNR developed a GIS-based model to identify areas of aquatic lands with a high potential for trespass. Once identified, staff notify adjacent landowners and conduct field visits. If field visits confirm a trespass is found, it is resolved through an agreement with the party, who generally reimburses the state for private use of the public's property.

ASARCO Cleanup

DNR received $2 million this year to remove 67,000 square feet of derelict, creosote-laden docks—mostly from state-owned aquatic lands—at the former ASARCO smelter on Tacoma's waterfront at Ruston. Removing the thousands of creosote pilings opens the door to restoring the health of the nearshore areas at the site.

The funds are part of $188 million that Washington State received to repair environmental damages caused by mining giant ASARCO at various locations, including Tacoma. It's the largest payout in the history of the Model Toxics Control Act, the state's "Superfund" law approved by Washington voters in 1988.

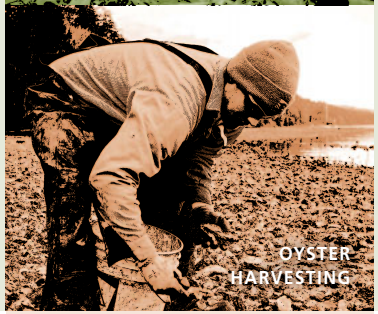
The $2 million represents the majority of the money needed for DNR's part for cleanup and habitat restoration of the site. The Department is working with public and private partners to fund the remainder of the nearshore restoration effort.

TOP TO BOTTOM: LUIS PRADO/DNR; NANCY CHARBONNEAU/DNR; LISA KAUFMAN/DNR; JEFFREY DELIA © 2010

DNR AQUATIC LEASE

MELISSA MONTGOMERY FERRIS RECEIVES COAST GUARD AWARD

CREOSOTE LOG REMOVAL



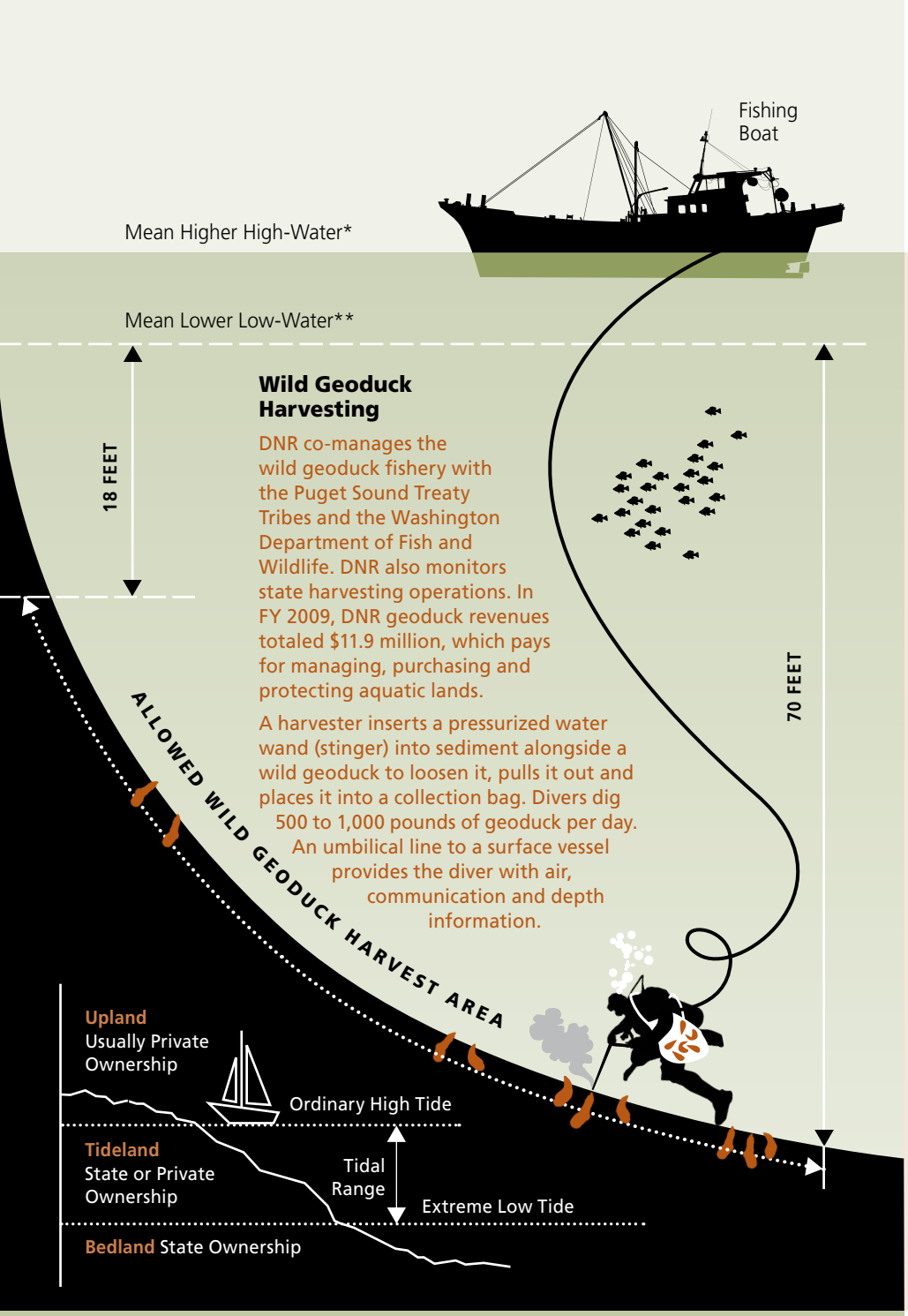
OYSTER HARVESTING

Removing Navigation Hazards from Waterways

Derelict and abandoned vessels are environment and navigational hazards. To resolve these problems, DNR works with owners of these vessels and with local governments. DNR leads removals or funds and supports other agencies' efforts. Since the program began in 2003, 438 derelict vessels have been removed: 262 by more than 50 public entities, including DNR; others by their owners or private parties.

In FY 2009, DNR reimbursed other agencies for 32 removal actions, and DNR removed 17. These included several multi-year projects: final disposal of two large ships (Kopcakoe and Ked), two sunken dry docks, and removal of the Northern Retriever from Aberdeen, using 2007 legislatively appropriated money for large vessel removals.

In July 2009, the United States Coast Guard awarded a Meritorious Public Service Award to Melissa Montgomery Ferris, DNR's Derelict Vessel Removal Program Manager. Ferris was recognized for her continuous outstanding commitment to keeping Washington's waters safe and clean, her leadership, and work that went far above and beyond expectations.



Wild Geoduck Harvesting

DNR co-manages the wild geoduck fishery with the Puget Sound Treaty Tribes and the Washington Department of Fish and Wildlife. DNR also monitors state harvesting operations. In FY 2009, DNR geoduck revenues totaled $11.9 million, which pays for managing, purchasing and protecting aquatic lands.

A harvester inserts a pressurized water wand (stinger) into sediment alongside a wild geoduck to loosen it, pulls it out and places it into a collection bag. Divers dig 500 to 1,000 pounds of geoduck per day. An umbilical line to a surface vessel provides the diver with air, communication and depth information.

*** Higher High-Water:** Highest high water due to the declinational effects of the Moon and Sun.
**** Lower Low-Water:** Lowest low water due to the declinational effects of the Moon and Sun.
Mean: Average height of each tidal day observed by the National Ocean Service.

Aquatic Reserves

▶ DNR is considering three new Aquatic Reserves on state-owned aquatic lands—Smith and Minor Islands, Protection Island, and Nisqually Reach. After two years of public outreach and independent scientific analysis of each proposed reserve, DNR is developing site-specific management plans.

Each plan is designed to ensure sustainable management of marine habitats—guided by sound science—and maintain public access and public benefits, including access to natural resources.

Formal advisory committees conducted planning for each proposed site. Public environmental review of the draft plans is slated for summer and fall, 2010.

People for Puget Sound is the site proponent for the reserves in the Strait of Juan De Fuca, while the Nisqually Reach Nature Center is a lead partner in south Puget Sound. The Puget Sound Partnership, Audubon Societies, Tribal Governments, shellfish industry, property owners, local governments, U.S. military, and non-profit organizations have participated in planning these reserves.

Land Exchanges and Purchases

DNR works with many partners to retain viable working forestland.

Forestland At Risk

The 2007 Legislature directed DNR to focus its use of funds from trust land sales on buying working forestlands at risk of conversion to uses other than natural resource production (such as residential or industrial use). Because many of these at-risk properties are priced at their development potential—higher than as commercial forestland—the Legislature authorized DNR to purchase parcels for the trusts for more than the industrial forestland value. Notable purchases completed in FY09 and early FY10 were:

- 8,000 acres for $22.5 million ($3.7 million from King County) along the Raging River and I-90 in eastern King County
- 2,309 acres for $6.6 million in Lewis County
- 319 acres for $1.3 million near Chehalis
- 290 acres for $3.45 million in Snohomish County

Blanchard Forest Purchases

Two purchases in Skagit County in 2009 will replace trust lands in Blanchard Forest that are conserved for their plant and wildlife habitat and for low-impact recreation. They include 840 acres purchased from a willing private seller for $3.6 million and 80 acres next to Blanchard Forest trust lands purchased from a willing private seller for $735,000. In addition to remaining as working forest, these parcels will be managed to produce revenue for schools and other services in Skagit County.

Raging River Transfer

During FY 2009, King County transferred about 1,490 acres of forestland in the Raging River area—between Tiger Mountain and Rattlesnake Ridge—to state ownership. The transfer is part of a long-term agreement between DNR, King County and the Mountains to Sound Greenway Trust, and will provide long-term revenue to King County while keeping the land as forest in perpetuity.

ADAPTED FROM MOUNTAINS TO SOUND GREENWAY TRUST MAP

FILLING IN THE GREENWAY

◀ Through exchanges and purchases, DNR seeks to keep forestlands healthy so they can continue to provide trust revenue while supporting good quality habitat, clean water, and opportunities for public access. These efforts also help protect other working forests in the local landscape from development and conversion to non-forestry uses.

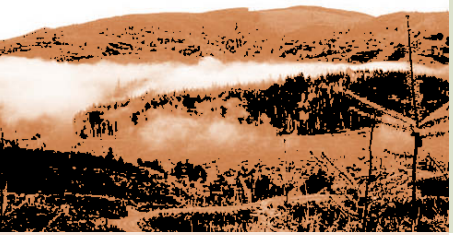
DNR worked this year with several public, private and nonprofit organizations to fill in more of the landscape identified as 'at risk of development,' including eastern King County (see map) where DNR and nonprofit conservancies, such as the Mountains to Sound Greenway Trust, focus on preserving open space and working forest along the I-90 corridor.

BLANCHARD FOREST

WDFW EXCHANGE

NORTH FORK GREEN RIVER

CHEHALIS EXCHANGE



LAND EXCHANGES

Transaction	Acres Received	Trusts	Location of Lands Received	Acres Exchanged	Exchanged With...
Chehalis Exchange	8,935	Common School & Escheat; State Forest Transfer (county services); & Scientific School (WSU)	Grays Harbor, Lewis, Pacific, Thurston counties	8,579	Port Blakely Tree Farms LP
North Fork Green River Exchange	20, 681	Common School & University of Washington	Eastern King County	6,033	Plum Creek Timber Co.
WDFW, Phase I*	5,416	Common School & University of Washington	Kittitas, Okanogan, & Yakima counties	9,019	Washington Dept. of Fish & Wildlife
South Stevens, Phase II	531	Common School	Stevens & Lincoln counties	655	Private parties
City Limits-Snow Creek	161	Common School	Jefferson County	82 acres + $644,000	City of Port Townsend
Newberry Hill	520	Common School	Kitsap County	525	Kitsap Parks & Recreation Dept.

* In process of closing.

Land Exchanges

DNR's long-term trust land strategy is to assure continued trust revenue from natural resources production for current and future beneficiaries while providing clean water, habitat and public access. Land exchanges help advance this strategy (see chart above).

Parcels are divested from state trust land holdings and replaced (via exchange, sale or transfer) when they cannot be managed efficiently for long-term revenue to beneficiaries.

East Slope Cascades: Fish and Wildlife Exchange

The first of a two-phased exchange of parcels between DNR and the Washington Department of Fish and Wildlife was authorized this year. A large portion of the lands on both sides of this exchange are in south Kittitas and north Yakima counties. The two agencies' managed lands are currently in a checkerboard pattern of surveyed sections on the landscape rather than along natural ecological boundaries. When completed, DNR will exchange, in this first phase, about 9,019 acres of shrub-steppe and lower-elevation forestland and receive about 5,400 acres of mostly high-elevation forested land bordering current state trust lands. Land values are approximately $4.9 million on each side of the exchange.

Exchanges and purchases target productive working forest and farmlands for long-term revenue to schools, counties, and universities.

PHOTOS TOP TO BOTTOM: JIM CAHILL/DNR; KEN McNAMEE/DNR; AND DNR PHOTOS

Preserving Washington's Heritage

Natural areas and working lands provide opportunities for clean water, habitat and recreation.

Trust Land Transfer

In 2009, the Trust Land Transfer Program funded the transfer of more than 4,800 acres of state trust land to Natural Areas such as Mount Si, Dabob Bay (map) and West Tiger Mountain. Other special properties were transferred to Clark, Island, Jefferson, Pierce, and San Juan counties and the City of Battle Ground. The program uses Common School Trust Construction Account funds to reimburse the Trust for lands designated for higher protection because of ecological and social attributes; the lands' timber value returns to the Construction Account.

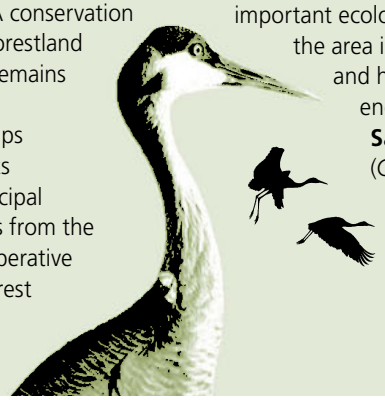
National Forest Legacy Program

In 2009, DNR purchased a conservation easement on 2,290 acres of working forestland on the Kitsap Peninsula that assures a continual forestland link between Green Mountain and Tahuya state forests. A conservation easement on private forestland ensures the property remains undeveloped forever. This project, which helps protect working forests and Bremerton's municipal watershed, used funds from the US Forest Service Cooperative Program's National Forest Legacy Program.

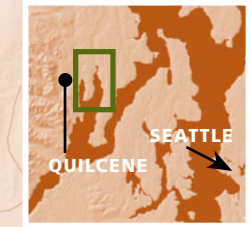
Expanded Natural Areas

From time to time, the Commissioner of Public Lands may designate a new or expanded area for conservation. These boundaries often include state trust or other public lands, but also may include privately owned parcels. The designation does not affect private owners' uses or rights, but does allow DNR to work with partners and granting agencies to raise funds and negotiate to buy privately owned parcels from willing sellers at market value.

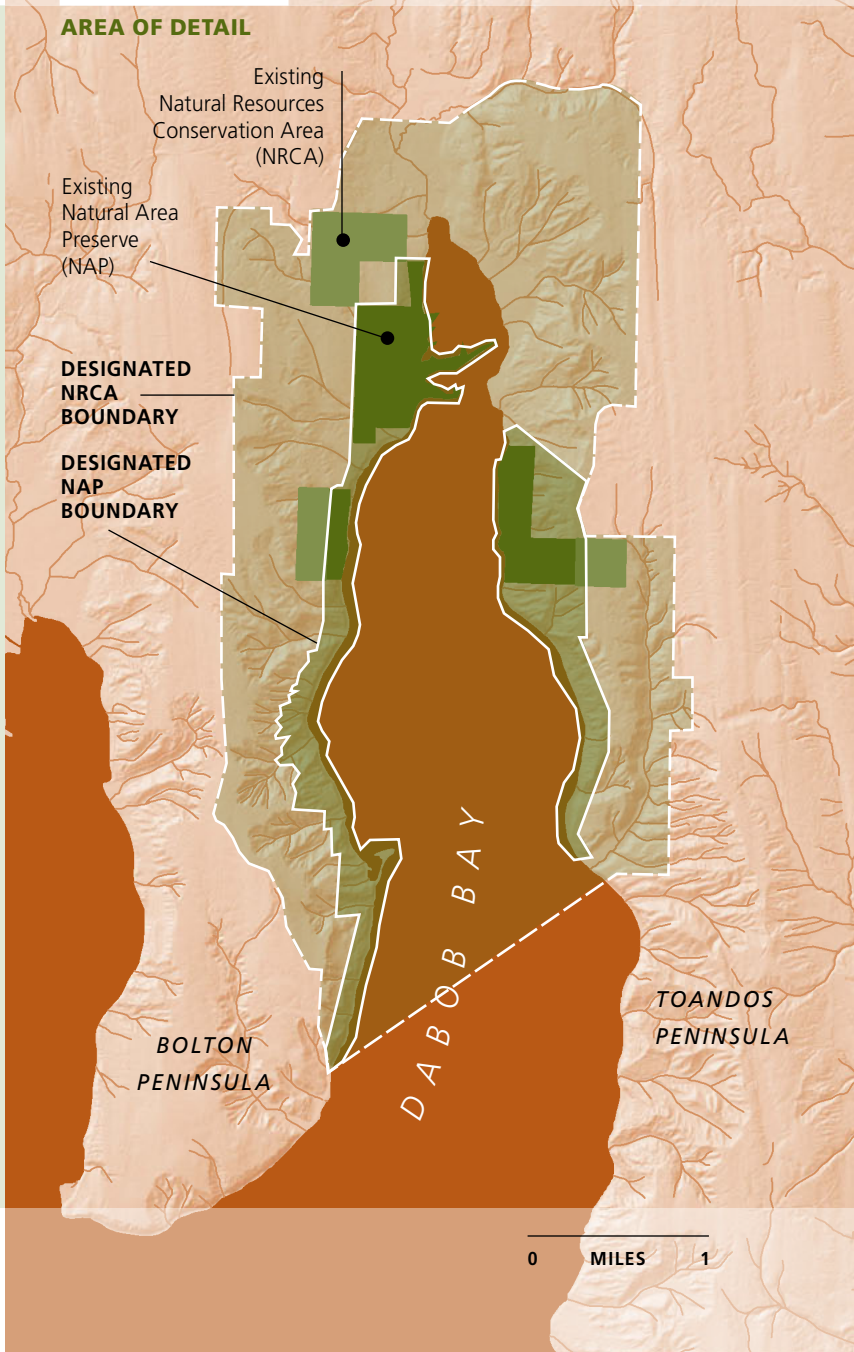
In September, at the National Natural Areas Association 36th Annual Conference in Vancouver, Wash., Commissioner of Public Lands Peter Goldmark signed an order tripling the size of Klickitat Canyon Natural Resources Conservation Area (NRCA) to 1,500 acres (mostly in Yakima County). DNR has worked with Columbia Land Trust to protect important ecological features of the area including rare plants and habitat for the endangered **Greater Sand Hill crane** (*Grus canadensis tabida*) (at left).



MAP BY JASON GOLDSTEIN AND LUIS PRADO/DNR. GREATER SANDHILL CRANE: GERALD AND BUFF CORSI © CALIFORNIA ACADEMY OF SCIENCES



Dabob Bay Expansion
Commissioner Goldmark designated an expansion of the Dabob Bay Natural Area boundary in Jefferson County to include up to 3,200 more acres of shore, estuary and forestland.

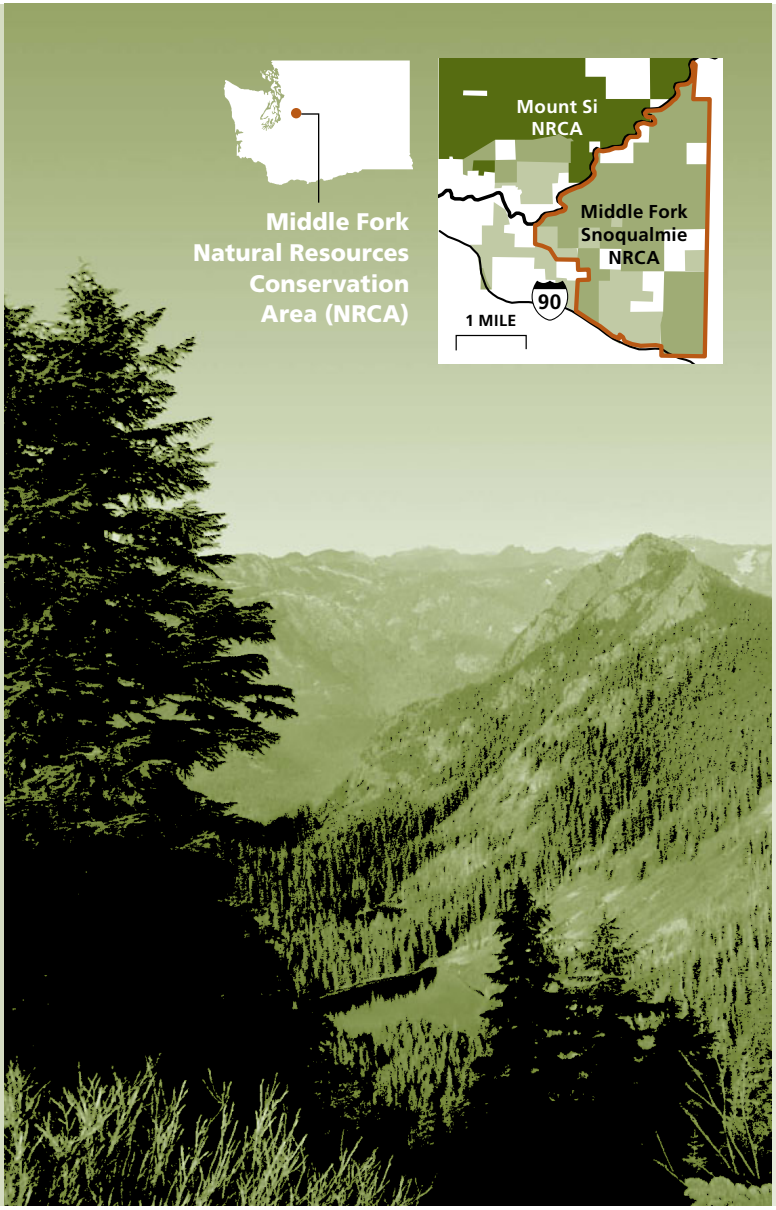


Riparian Open Space Program

DNR purchased conservation easements on 412 acres of critical salmon habitat within the riparian zones of the Hoh, Bogachiel and Humptulips Rivers in Jefferson, Clallam and Grays Harbor counties. The Riparian Open Space Program is funded by the Legislature to help compensate landowners who are prohibited under state Forest and Fish Rules from harvesting timber on riparian lands isolated by river channels that have migrated over time. The Legislature has broadened the program's definition to include lands on which the presence of threatened or endangered species may prohibit timber harvesting.

Middle Fork Snoqualmie Natural Resources Conservation Area

In December, Commissioner Goldmark designated the new Middle Fork Snoqualmie Natural Resources Conservation Area (NRCA). The 10,270-acre area, which is flanked by Mount Si and two national forests, features wildlife habitat corridors and other important habitat. The designation supports the vision of the private, nonprofit Mountains to Sound Greenway Trust and others to preserve open space for scenic views and low-impact use along the Interstate 90 corridor. Most of the newly designated area is state trust land which will be transferred to the NRCA through the Trust Land Transfer Program (page 12); a few privately owned parcels within the boundary are eligible to become part of the NRCA if DNR purchases them at a later time.



DNR preserves some of Washington State's greatest open spaces for low-impact use.

Outdoor Fun and Access

Sustainable recreation involves citizens and helps meet environmental and natural resource goals.

VOLUNTEER HOURS
Value of 2009 volunteer hours: $954,564

Recreation Planning on Public Lands

DNR is committed to providing safe, enjoyable and sustainable recreation opportunities for a variety of activities—motorized and non-motorized—on state trust lands. At the same time, DNR is charged with managing these lands sustainably for trust beneficiaries.

As the amount of private land available for outdoor recreation has decreased, more people choose to recreate on state trust lands. This increased public use, coupled with the greater varieties of recreation, stresses the environmental health of state trust lands and raises concerns about safety and quality of recreation for all users.

Faced with these issues, many DNR-managed trust lands would benefit from planning that engages the public and local communities in developing a long-term vision to manage recreation and public access, while assuring that trust assets are well managed.

Ahtanum Forest

As 2009 came to a close, DNR finished work on the Ahtanum State Forest Recreation Plan. The forest is located 20 miles west of Yakima.

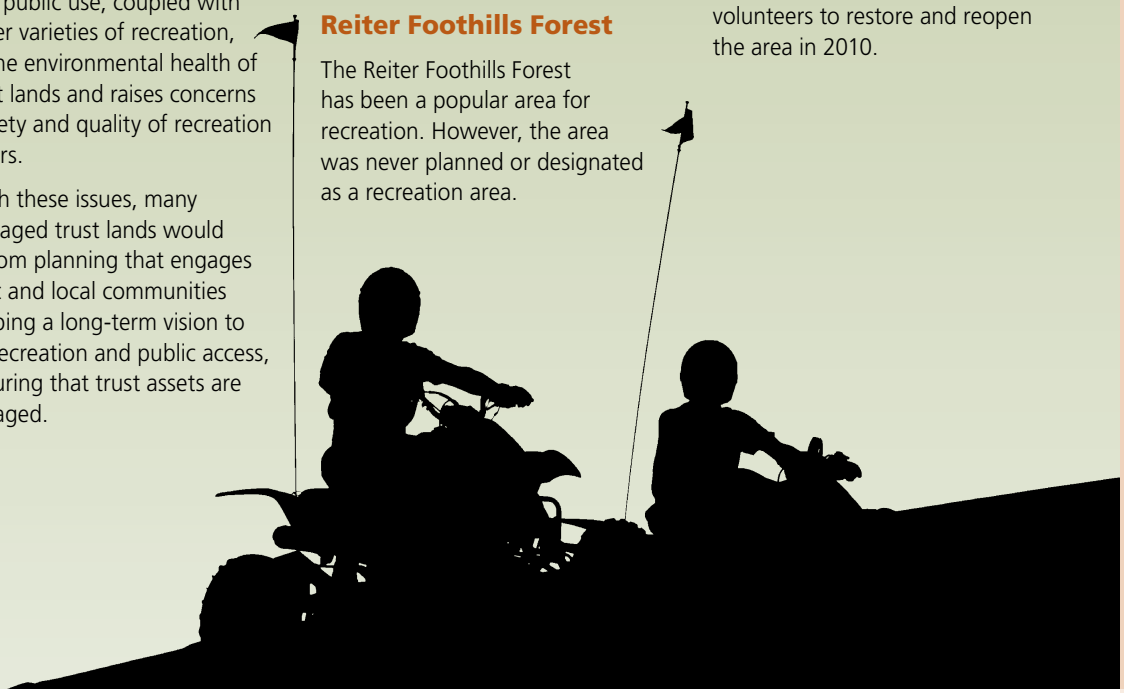
Planning for recreation also began for the Western Yacolt Burn State Forest and Reiter Foothills in 2009. In all planing DNR draws upon the expertise and perspectives of local citizens, who also are important to putting the plans to work on the ground.

Reiter Foothills Forest

The Reiter Foothills Forest has been a popular area for recreation. However, the area was never planned or designated as a recreation area.

A network of user-built trails crisscrosses the forest, many passing through streambeds. As a result, the forest has experienced a tremendous amount of damage to habitat and resources.

In order to repair the environmental damage, protect clean water, and plan for designated trail development in more environmentally appropriate locations, DNR temporarily closed the Reiter Foothills Forest to all but foot traffic in November 2009. DNR staff are working with volunteers to restore and reopen the area in 2010.



NANCY CHARBONNEAU/DNR

VOLUNTEERS AT MIMA MOUNDS NATURAL AREA PRESERVE

Volunteer on Trust Lands

Volunteers are important to DNR's programs for recreation and natural areas. They help maintain and clean up trails and recreation sites, work on restoration projects, do minor repair work, and even provide heavy equipment for large-scale tasks. As the Recreation Program's budget continues to erode, DNR relies on dedicated individuals and organizations to help keep its recreation sites open.

In 2009, DNR saw a sharp rise—nearly 33 percent—in volunteer hours compared with the previous year (see chart on left).

Protecting and Replanting Forests

New Riparian Rules

A new rule based on scientific analysis requires larger buffer zones and more trees to be left alongside forested streams and rivers on 10 million acres of working forestland during timber harvests and other activities. The rule approved by the Forest Practices Board is aimed at better protecting endangered salmon, riparian habitat, and water quality from the impact of logging. To ease the impact on landowners, the rule includes Commissioner Goldmark's solution to allow streamlined forest practices application renewals for landowners willing to provide the additional riparian protections before the new rule's effective date.

Forest Practices Compliance

A DNR report in April indicated that private industrial forestland logging complied with state and other forest practices rules most of the time, but with some important gaps. Harvesting trees within no-harvest zones and leaving too few trees near fish-bearing streams were common causes of noncompliance in the 2006-2007 period studied. Random assessments found compliance 87 percent of the time with forest road activities (building, improving and decommissioning) and 75 percent of the time for other forest work (logging and observing riparian zone rules). The monitoring by teams of foresters from DNR, other agencies, tribes and private consultants also revealed that the guidelines for identifying and measuring riparian zones were not clear to users. Commissioner Goldmark is committed to improving compliance rates.

Webster Forest Nursery

In spring 2009, the first crop of tree seedlings was sown in the Webster Forest Nursery's 50,000-foot state-of-the-art greenhouse addition. It features computer-controlled lighting, temperature, and watering to help boost seedling production with fewer staff hours.

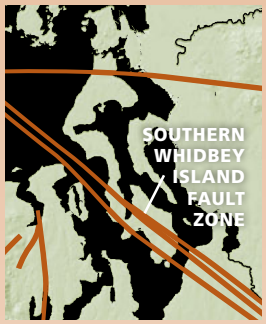
The 270-acre facility near Olympia is financially self-supporting and grows up to 3 million tree seedlings each year for planting after harvests on DNR-managed trust lands, with careful attention to matching species to growing zones. It also sells seedlings to help private landowners comply with State Forest Practices Act replanting rules.

CULVERT PHOTO BY JASON METTLER/DNR

◀ DNR removed 69 fish barriers on streams crossing state trust lands in 2009. Since 2002, 813 barriers have been removed, opening 407 miles of streams to fish passage. An estimated 611 barriers are left to remove by 2016 when the 2001 Forest and Fish Law requires state and private forest landowners to complete improvements. Projects on state trust lands are paid by the trusts, either from the Access Road Revolving Fund Account or through timber sale requirements.

Mapping and Assessing Hazards

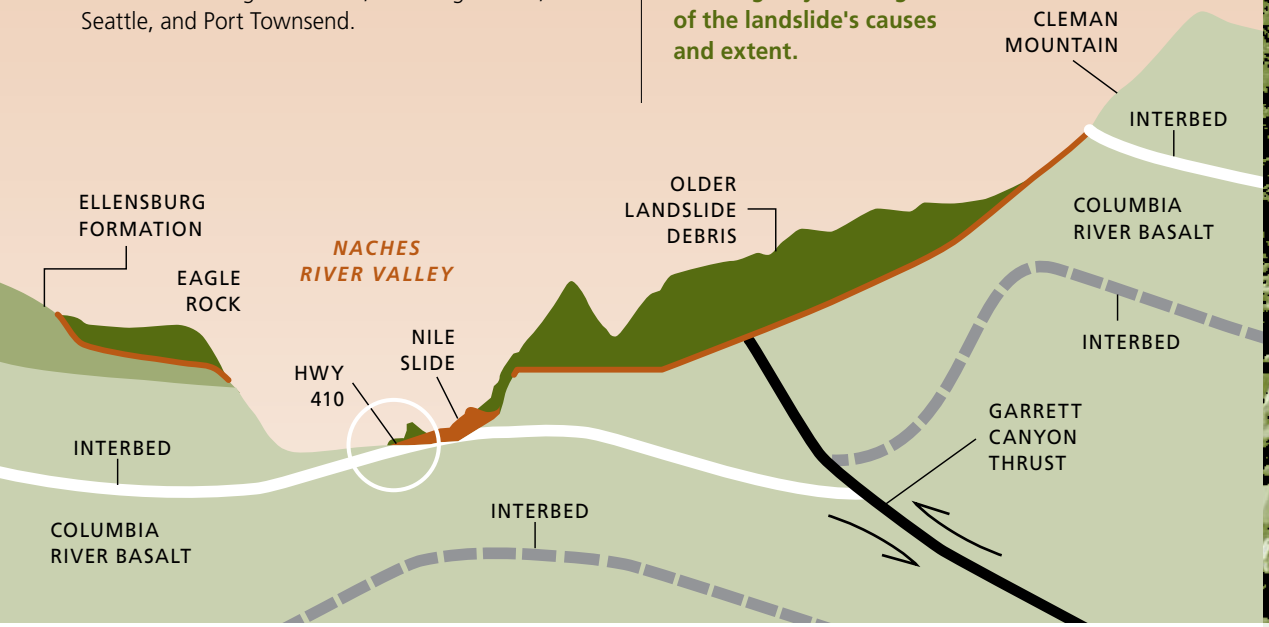
Mapping Geologic Hazards

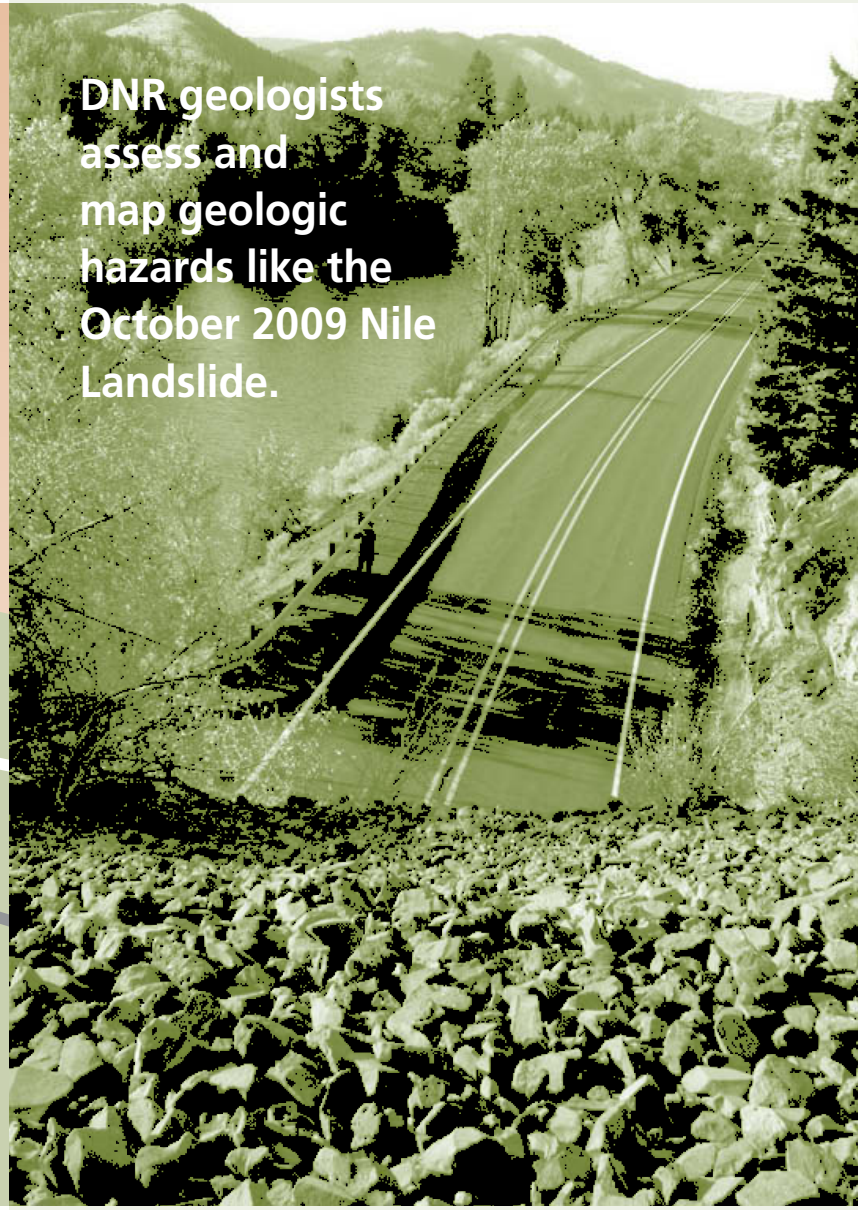


A team of DNR geologists, working with other agencies, produced maps this year revealing new information about the seismic hazards of the **southern Whidbey Island fault.** The fault extends much farther south and east than once thought, connecting with the Rattlesnake Mountain fault near North Bend. The southern Whidbey Island fault—considered capable of generating large earthquakes—is a potential seismic hazard to the Puget Lowland, including Everett, Seattle, and Port Townsend.

Nile Landslide

▼ **On October 11, 2009, one of the largest landslides in the state's recorded history occurred in the Naches River valley near the south-central Washington town of Nile. More than 80 acres were affected, and the Naches River was diverted. No injuries or deaths were reported, but several homes were damaged beyond repair and a half-mile of Highway 410 was covered by tons of earth. Geologists from DNR are contributing to a multi-agency investigation of the landslide's causes and extent.**





ISABELLE SARIKHAN / DNR

DNR geologists assess and map geologic hazards like the October 2009 Nile Landslide.

Fiscal and Timber Management Data

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ABOUT THESE PAGES

- These pages account for the revenues DNR generated, collected and expended during Fiscal Year 2008 (July 1, 2008 – June 30, 2009).
- Most revenues DNR generated are from activities on upland state trust lands and aquatic lands. (See related stories, pages 4 to 16). Distribution of revenue is governed by statute and varies according to trust and revenue source.
- DNR manages 2.1 million acres of forestlands that generate revenue for state trusts, mostly from timber sales. In pages 44 to 47, DNR provides data on timber management activities on forested state trust lands, as required by RCW 79.10.010(3).
- Fiscal information is presented as a combination of tables, pie charts and notes. The notes provide context for the tables.
- Underlined bold numbers are totals or subtotals.
- Some pages show dollars in thousands. Totals may not add due to rounding.
- There is no individual page for the Community College Forest Reserve Trust. See Fund Activity (page 21).
- These pages include data for federally granted trust lands and for legislatively established trust lands, including State Forest Lands (formerly known as Forest Board lands). Trusts are listed individually.
- Counties that contain State Forest Lands, but are not listed for an activity, did not have that activity during Fiscal Year 2009.
- Numbered notes apply only to the page on which they appear.

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Total Revenue

REVENUE BY SOURCE [1]	FY 2009	FY 2008
Source	Total Funds	Total Funds
Sales		
Timber sale removals	$145,387	$167,711
Timber sales-related activities	616	1,002
Forest road assessments	12,186	13,427
Nursery seedling sales	3,071	3,637
Miscellaneous	416	387
	161,675	**186,165**
Leases		
Agriculture	14,419	15,388
Aquatic	20,166	19,183
Commercial real estate	9,428	9,199
Mineral and hydrocarbon	1,974	2,913
Communication sites	3,676	3,491
Rights-of-way	763	976
Miscellaneous	1,816	2,003
	52,242	**53,153**
Other Revenue		
Interest income	3,278	4,545
Fire assessments and cost reimbursement	11,412	10,963
Grants and contributions	16,107	19,850
Permits, fees and related charges	2,902	3,193
Miscellaneous	3,309	4,284
	37,009	**42,835**
Total Revenue from Operations	**250,926**	**282,153**
Other Activity		
Land transfers [3]	70,031	7,612
Land bank [4, 16]	(382)	3,609
	69,650	**11,221**
Total Revenue		
Total	**$320,575**	**$293,374**

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

Amounts are reported in thousands of dollars.

PHOTO: AUSTIN JENKINS/NNN

▲ Logger **Jerry DeBriae's** operation is the largest private employer in Wahkiahum County and the largest independent logging company operating in southwest Washington and northwest Oregon. DeBriae's family-owned firm frequently bids for timber harvest contracts on state trust land. At any one time, his crews are working on several timber harvests on private and state trust lands throughout the area. DeBriae Logging Company, Inc., based in Cathlamet, has been in business since 1967 and plays a key role in the local rural economy.

ABOUT THIS PAGE

DNR's expenditures reflect the Department's diverse work.

Land management activities, funded by trust land revenue, are investments in the long-term benefits and productivity of the resources. Other activities, funded by non-trust revenue sources, support regulatory, assistance and resource protection programs, as well as agency operations.

Capital expenditures include land acquisitions on behalf of state trusts and Natural Areas.

Revenues are shown for two years for comparison. Differences between the years reflect changes in market conditions, legal requirements, availability of resources, and other factors.

Total Expenditures

EXPENDITURES BY PROGRAM[2]	FY 2009	FY 2008
Operating		
Agricultural resources	$1,555	$1,677
Asset management & protection	9,705	10,136
Product sales & leasing	37,354	31,465
Land management	18,706	23,477
Aquatic resources	12,115	9,029
Administration	3,886	4,408
Interagency payments	9,805	10,605
Agency support	16,968	18,975
Geology & earth resources	3,198	3,091
Forest practices	15,545	14,182
Engineering services	14,771	19,134
Resource protection	17,903	21,311
Fire suppression	30,189	24,787
Total Operating Expenditures	**191,699**	**192,276**
Capital		
Recreation	2,744	654
Aquatic resource projects	4,490	1,326
Real estate and property acquisition	99,608	17,751
Facilities	1,060	1,596
Small timber landowner program	7,747	4,356
Miscellaneous	1,459	169
Total Capital Expenditures	**117,108**	**25,853**
Total Expenditure		
Total	**$308,807**	**$218,129**

Amounts are reported in thousands of dollars.

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

- Expenditures are shown for two years for comparison. Differences between the years reflect changes in the programs, legal requirements, salaries and benefits, inflation, and other factors.

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DNR-Administered Funds

Fund Title	Beginning Balance 7/1/08	Revenue	Expenditure	Ending Balance 7/1/09
Trust Management Accounts				
Forest development (FDA)	$20,414	$17,197	$(24,516)	$13,095
Resources management (RMCA)	40,431	36,424	(41,431)	35,424
Agricultural college (ACTMA)	201	1,043	(780)	464
	61,046	**54,664**	**(66,727)**	**48,983**
Other DNR-Administered Funds				
Access road revolving	3,645	12,312	(11,226)	4,731
Aquatic lands dredged material	815	110	(181)	744
Aquatic lands enhancement [7]	n/a	12,001	(4,316)	n/a
Clarke-McNary	(1,355)	1,354	2	(0)
Conservation areas stewardship	277	9	(16)	270
Contract harvesting revolving	752	19,309	(19,190)	872
Derelict vessel removal [8]	n/a	35	(2,961)	n/a
Forest and fish support [9]	n/a	0	(2,795)	n/a
Forest fire protection assessment	4,015	9,754	(5,944)	7,825
Landowner contingency forest fire	1,964	658	(307)	2,315
Off-road vehicle [6]	n/a	2	(1,763)	n/a
Park land trust revolving	63	11	0	74
Real property replacement [3]	32,955	12,573	(24,010)	21,518
School construction revolving	59	2	(10)	51
State forest nursery revolving	1,006	3,082	(3,342)	746
Surface mining reclamation	720	1,723	(1,559)	883
Surveys and maps	1,623	712	(1,122)	1,212
	46,541	**73,647**	**(78,742)**	**41,242**
Total DNR-Administered Funds [13]	**$107,587**	**$128,311**	**($145,469)**	**$90,224**

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

Amounts are reported in thousands of dollars.

ABOUT THIS PAGE

DNR's fiscal activity includes generating revenue for a variety of funds and accounts, some of which benefit state trust beneficiaries and some of which fund state programs, including DNR's own. DNR's fiscal activity also includes expenditures supporting its work.

Some of the accounts that receive revenue from DNR or that fund DNR's expenditures are managed by DNR; others are managed by other agencies.

N/A = not applicable

* These accounts fund DNR's management of state trust lands. Revenue may be carried over from year to year. As a result, any given year's expenditures do not necessarily correlate to that year's revenue. See pages 22, 24, 32, 24, and 36 for more detailed accounting. FDA and RMCA are funded through revenue generated from the lands whose management they support. ACTMA is not funded through such revenue, but instead, through a legislative appropriation from the State General Fund.

** The RMCA trust balance includes $27,804,431 dedicated by law (RCW 79.19) to land bank purchases of lands that replace previously sold trust lands.

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Funds Administered by Other Entities

Fund Title	Revenue	Expenditure	Activity
Trust Current Funds			
Common school construction	$100,362	$0	$100,362
Community college forest reserve*	348	0	348
WSU bond retirement [18]	1,595	0	1,595
UW bond retirement	3,396	0	3,396
CEP&RI	3,808	0	3,808
EWU capital projects	23	0	23
CWU capital projects	23	0	23
WWU capital projects	23	0	23
TESC capital projects	23	0	23
Capitol building construction	5,725	0	5,725
Forest board counties	48,607	0	48,607
	163,934	**0**	**163,934**
Trust Permanent Funds			
Agricultural college (WSU)	2,869	0	2,869
Normal school (EWU, CWU, WWU, TESC)	2,549	0	2,549
Common school (K-12)	554	0	554
Scientific (WSU)	2,782	0	2,782
State university (UW) [18]	94	0	94
	8,848	**0**	**8,848**
Other Funds			
General fund	19,249	(75,621)	(56,372)
State building construction	0	(81,687)	(81,686)
Motor vehicle	3	0	3
Air pollution control	150	(408)	(258)
State toxics control	0	(3,660)	(3,660)
State wildlife	70	0	70
Developmental disabilities community trust	8	0	8
Water quality	0	(1,347)	(1,346)
NOVA program	0	(615)	(615)
	19,481	**(163,338)**	**(143,857)**
Total other fiscal activity	**192,264**	**(163,338)**	**$28,926**
Total all funds and activities [13]	**$320,575**	**$(308,607)**	

Amounts are reported in thousands of dollars.

Totals may not add, due to rounding. See fiscal notes, pages 40-43.

ABOUT THIS PAGE

* All revenue for the Community College Reserve Trust was generated from leases. DNR expenditures from the fund were to purchase land for the trust.

Resource Management Cost Account (RMCA) Upland + Aquatic

	EXPENDITURES	REVENUE
Source		
Fund balance (July 1, 2008)		**$40,431,045**
RMCA Revenue		
Operating Revenue	$36,450,166	
Treasurer Transfer*	(26,000)	
Total Revenue		**36,424,166**
Less Expenditures [2]		
Agricultural resources	1,525,081	
Asset management & protection	2,412,562	
Product sales & leasing	9,813,411	
Land Management	6,989,941	
Correctional camps	721,079	
Administration	848,129	
Interagency payments	4,361,624	
Agency support	5,921,341	
Aquatic resources	5,411,053	
Engineering services	1,707,171	
Total operating expenditures	39,711,392	
Total capital expenditures	1,719,759	
Total expenditures and other charges		**41,431,151**
RMCA Fund Balance (June 30, 2009)**		**$35,424,060**

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

The Resource Management Cost Account (RMCA) funds DNR's land management activities on state grant lands. DNR deposits a portion of the revenue it generates from these lands into the account, and the Legislature appropriates funds from the account to DNR for expenditures. The RMCA can be used only for land management expenses (e.g., reforestation, preparing timber sales, or managing aquatic leases) that support federally granted state lands.

*Special appropriation to the Governor for Health Care Authority's insurance accounting system.

**RMCA fund balance includes $28,405,132 in upland trust reserved for land bank sell first purchases.

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State Grant Lands | Upland + Aquatic

Source	REVENUE Grand Total All Funds	DISTRIBUTION Trust Current Funds	Trust Permanent Funds	Resource Management Cost Account [14]
Sales				
Timber sales [10, 14, 18]	$61,638,468	$32,134,971	$11,418,913	$18,084,584
Timber sales related activities [1]	289,250	185,313	59,253	44,683
Trust Land Transfer Program [3]	58,795,600	58,795,600	0	0
Land sales (includes land bank) [4, 16]	(381,700)	0	0	(381,700)
	120,341,618	**91,115,884**	**11,478,166**	**17,747,568**
Leases				
Agriculture				
Dryland	3,710,561	2,297,038	340,055	1,073,467
Irrigated	9,996,428	6,351,276	673,628	2,971,524
Grazing and other	657,262	437,456	25,731	194,075
Aquatic lands	20,166,036	11,600,767	0	8,565,270
Special use	1,086,272	705,282	55,545	325,445
Commercial real estate	9,421,436	6,518,828	77,782	2,824,825
Mineral and hydrocarbon	1,755,042	1,081,476	91,624	581,943
Rights-of-way	653,539	182,403	268,580	202,556
Communication sites	2,479,569	1,248,479	505,673	725,416
Special forest products	426,302	282,604	15,848	127,851
	50,352,447	**30,705,608**	**2, 054,467**	**17,592,373**
Other Revenue				
Interest income	1,689,195	171,596	61,726	1,455,873
Non-trust revenue [15]	152,087	729	0	151,358
Operating transfer [1, 11]	(625,896)	4,983,928	(4,983,928)	(625,896)
Permits, fees and miscellaneous [1]	343,318	2,516	237,912	102,890
	1,558,703	**5,158,768**	**(4,684,290)**	**1,084,225**
Totals	**$172,252,768**	**$126,980,260**	**$8,848,343**	**$36,424,165**

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

State grant lands (upland and aquatic) were granted to Washington at statehood by the federal government. Each upland parcel is assigned to a specific state trust dedicated to financially supporting a specific beneficiary (e.g., the Common School Trust supports construction of K-12 schools).

The aquatic lands are designated as a public trust to benefit the public as a whole. Income from state grant lands is divided among trust beneficiary accounts and the RMCA, which DNR uses to manage the lands.

Resource Management Cost Account (RMCA) Upland

Source	Granted Trusts	Land Bank*	Total Uplands
Trust balance (July 1, 2008)	**$6,760,451**	**$27,804,431**	**$34,564,882**
Upland Revenue			
Operating Revenue	26,666,676	600,701	27,267,377
Treasurer Transfer*	(19,351)	0	(19,351)
Total Revenue	**26,647,325**	**600,701**	**27,248,026**
Less: Expenditures [2]			
Agricultural resources	1,525,081	0	1,525,081
Asset management & protection	2,412,562	0	2,412,562
Product sales & leasing	9,813,411	0	9,813,411
Land management	6,989,941	0	6,989,941
Correctional camps	721,079	0	721,079
Administration	670,610	0	670,610
Interagency payments	2,993,380	0	2,993,380
Agency support	4,224,029	0	4,224,029
Engineering services	1,707,171	0	1,707,171
Total operating expenditures	**31,057,264**	**0**	**31,057,264**
Total capital expenditures	**1,544,890**	**0**	**1,544,890**
Total expenditures	**32,602,154**	**0**	**32,602,154**
Trust balance (June 30, 2009)	**$805,617**	**$28,405,132**	**$29,210,749**

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

▲ DNR lease manager **Dale Warriner** is shown with Del Teade, and Steve Teade (son), on the right.

The Teades have farmed State Trust lands near Colfax for 37 years. With 14 inches of rain or more annually, they are able to use a 'direct seed' system of farming: the new crop is seeded directly into residue from the previous crop, which protects the soil surface from eroding. Direct seeding improves overall soil quality and greatly reduces the number of field operations needed. DNR leases and permits about 1 million trust acres for agricultural and grazing production.

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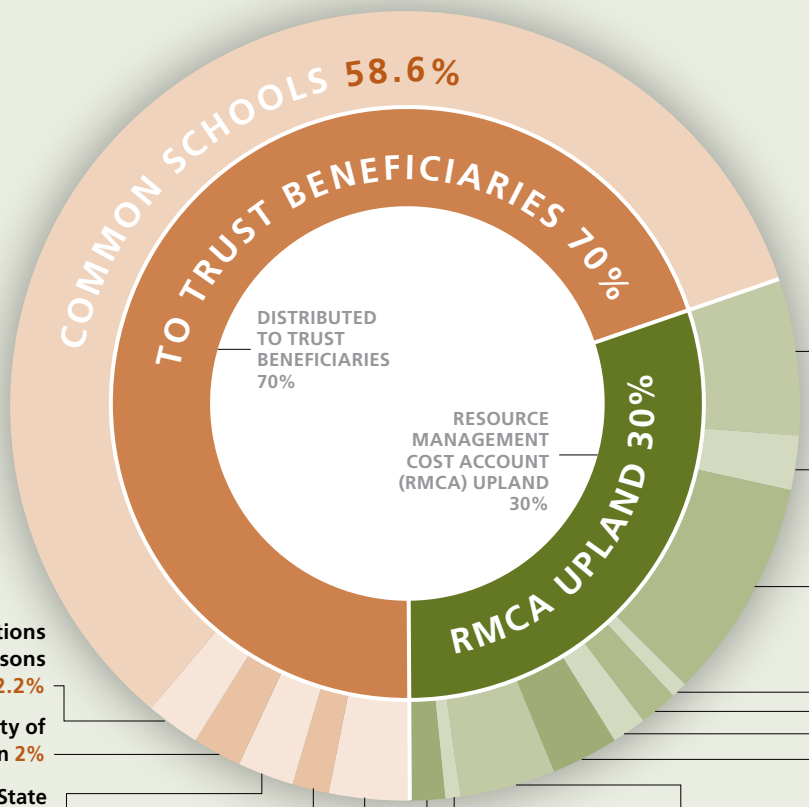
ABOUT THIS PAGE

This portion of the RMCA supports the management of upland state grant lands, each of which supports a specific, designated beneficiary.

* Land bank revenue is dedicated by law (RCW 79.19) to purchases of lands that replace previously sold trust lands.

*Special appropriation to the Governor for Health Care Authority's insurance accounting system.

General* Distribution of Revenue from Upland State Grant Lands



6.5% Land Management
- Reforestation, Precommercial Thinning, Fertilization, Vegetation Mgmt.
- Genetic Improvement of Seedlings
- Forest Nursery
- Scientific Support
- Data Stewardship
- Landscape Planning

2.2% Asset Management and Protection
- Asset Planning
- Land Transactions
- Environmental Compliance
- Investigative Services
- Public Use
- Natural Areas
- Natural Heritage
- SEPA

9.0% Product Sales & Leasing
- Presales Activities
- Oil, Gas, & Commercial Site Leasing
- Rock & Gravel Sales Assessments
- Right-of-Way Granting & Acquisition
- Contract Administration
- Leasing

0.7% Special Employment
- Correction Camps Program

1.6% Engineering Services
- Resource Mapping

1.4% Agricultural Resources
- Agricultural & Grazing Leases
- Weed Management
- Permits

2.8% Interagency Payments

3.9% Agency Support
- Finance
- Personnel and Equipment
- Data Systems Management and Support
- Geographic Information Systems
- Region Administration
- Facilities

0.6% Administration
- Policy Analysis
- Executive Management
- Internal Audit
- Communications
- Budget and Economic Services

1.4% Capital Investments
- Facilities
- Irrigation Systems
- Right-of-Way Acquisition
- Commercial Property Improvements
- Communication Site Repair

Institutions and Prisons 2.2%

University of Washington 2%

WA State University (Scientific Trust only) 2.3%

1.5% Normal Schools (WWU, EWU, CWU and TESC)

3.3% Capitol Buildings

ABOUT THIS PAGE

Generally, by law, each beneficiary of the granted land trusts receives 70 percent of the revenue earned from its lands, and the remaining 30 percent goes to the RMCA to fund DNR's management of the lands. This chart shows the combined distribution in Fiscal Year 2009, with each trust beneficiary's share proportional to its share of the total revenue earned, and with the RMCA share divided among DNR's expenditures from the account for upland management activities.

Expenditures are appropriated by the Legislature and are ongoing investments to keep the lands productive and to generate future income for the trusts.

* This chart is based on statewide averages. Detailed breakdown of DNR programs contains examples only, not a complete listing. This chart does not include revenue from the Agricultural School trust lands, because 100 percent of revenue from those lands is distributed to the trust.

Per Board of Natural Resources Resolution No. 1321, the deduction of revenues from granted lands will be 30 percent from July 1, 2009, through June 30, 2011.

Common School, Indemnity and Escheat Grants

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Source	REVENUE Total Funds	DISTRIBUTION Common School Construction	Common School Permanent	Resource Management Cost Account [14]
Sales				
Timber sales [10, 14]	$33,593,902	$23,519,888	$0	$10,074,014
Timber sales-related activities [1, 16]	138,118	141,955	0	(3,837)
Trust land transfer program [3]	58,795,600	58,795,600	0	0
Land sales (includes land bank) [4, 16]	(381,700)	0	0	(381,700)
	92,145,920	**82,457,443**	**0**	**9,688,477**
Leases				
Agriculture				
Dryland	2,935,774	2,054,858	0	880,916
Irrigated	9,025,412	6,317,626	0	2,707,787
Grazing and other	604,538	423,078	0	181,461
Aquatic lands	0	0	0	0
Special use	965,679	675,975	0	289,704
Commercial real estate	9,300,214	6,510,150	0	2,790,064
Mineral and hydrocarbon	755,742	463,275	65,745	226,723
Rights-of-way	345,799	15,628	251,218	78,953
Communication sites	1,566,157	1,078,697	0	487,460
Special forest products	356,378	249,291	0	107,087
	25,855,693	**17,788,577**	**316,963**	**7,750,154**
Other Revenue				
Interest income [16]	1,129,495	116,208	(393)	1,013,680
Non-trust revenue [15]	77,064	0	0	77,064
Operating transfer [1]	19,527	0	0	19,527
Permits, fees and miscellaneous [1]	293,399	0	237,912	55,487
	1,519,485	**116,208**	**237,519**	**1,165,758**
Totals	**$119,521,098**	**$100,362,227**	**$554,482**	**$18,604,389**

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS FUND

Income from these state grant lands and escheat lands (those with no known heirs) supports construction of state public kindergarten through 12th grade schools.

The beneficiary's share of income is distributed to the Common School Construction Account and the Common School Permanent Account, which generates perpetual interest for the support of school construction. This distribution varies by activity and is governed by law.

University Grants Original and Transferred (UW)

Source	REVENUE Total Funds	DISTRIBUTION UW Retirement Bond	State (UW) University Permanent	Resource Management Cost Account [14]
Sales				
Timber sales [18]	$5,366,103	0	$3,281,757	$2,084,347
Timber sales-related activities [1]	8,011	0	2,905	5,106
Land sales (includes land bank) [4, 16]	0	0	0	0
	5,374,114	**0**	**3,284,662**	**2,089,453**
Leases				
Agriculture				
Dryland	142,983	0	100,088	42,895
Irrigated	0	0	0	0
Grazing and other	19,140	0	13,398	5,742
Aquatic lands	0	0	0	0
Special use	2,959	0	2,071	888
Commercial real estate	103,472	0	72,430	31,042
Mineral and hydrocarbon	399	0	279	120
Rights-of-way	10,499	0	7,349	3,150
Communication sites	0	0	0	0
Special forest products	10,262	0	7,183	3,079
	289,714	**0**	**202,800**	**86,914**
Other Revenue				
Interest income	32,740	1,909	521	30,311
Non-trust revenue [15]	6,324	0	0	6,324
Operating transfer [1, 11]	(676,682)	3,394,133	(3,394,133)	(676,682)
Permits, fees and miscellaneous [1]	121	0	0	121
	(637,497)	**3,396,042**	**(3,393,612)**	**(639,926)**
Totals	**$5,026,331**	**$3,396,042**	**$93,849**	**$1,536,441**

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

Income from these state grant lands supports construction of buildings for the University of Washington. Some of these lands were acquired at the time of statehood, and some lands were transferred to this trust from the CEP&RI trust by the Legislature in 1893.

The beneficiary's share of income is distributed to the University Permanent and UW Bond Retirement accounts. This distribution varies by activity and is governed by law.

Charitable, Educational, Penal and Reformatory Institutions Grant (CEP&RI)

	REVENUE	DISTRIBUTION	
Source	Total Funds	CEP & RI Account	Resource Management Cost Account [14]
Sales			
Timber sales	$4,308,548	$3,015,905	$1,292,642
Timber sales-related activities [1]	55,434	38,670	16,764
Land sales (includes land bank)	0	0	0
	4,363,982	**3,054,575**	**1,309,406**
Leases			
Agriculture			
Dryland	256,137	179,296	76,841
Irrigated	3,248	2,274	974
Grazing and other	11,228	7,860	3,369
Aquatic lands	0	0	0
Special use	3,186	2,230	956
Commercial real estate	11,150	7,805	3,345
Mineral and hydrocarbon	592,361	414,652	177,708
Rights-of-way	0	0	0
Communication sites	181,246	126,802	54,444
Special forest products	15,288	10,701	4,586
	1,073,843	**751,620**	**322,223**
Other Revenue			
Interest income	35,262	2,273	32,989
Non-trust revenue [15]	6,891	0	6,891
Operating transfer	0	0	0
Permits, fees and miscellaneous [1]	1,805	0	1,805
	43,958	**2,273**	**41,685**
Totals	**$5,481,783**	**$3,808,469**	**$1,673,314**

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

Income from these state grant lands is used to establish and maintain institutions managed by the Department of Corrections (such as prisons) and the Department of Social and Health Services (such as Western State Hospital).

The beneficiary's share of income is distributed to the CEP&RI Account.

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Capitol Building Grant

Source	REVENUE Total Funds	DISTRIBUTION Capitol Building Construction	DISTRIBUTION Resource Management Cost Account [14]
Sales			
Timber sales	$7,992,800	$5,599,177	$2,393,622
Timber sales-related activities [1]	8,834	4,689	4,145
Land sales (includes land bank)	0	0	0
	8,001,634	**5,603,866**	**2,397,768**
Leases			
Agriculture			
Dryland	46,353	32,447	13,906
Irrigated	0	0	0
Grazing and other	2,839	1,988	852
Aquatic lands	0	0	0
Special use	26,788	18,752	8,036
Commercial real estate	1,248	873	374
Mineral and hydrocarbon	17,440	12,208	5,232
Rights-of-way	3,631	2,542	1,089
Communication sites	62,200	42,980	19,220
Special forest products	13,330	9,331	3,999
	173,831	**121,121**	**52,709**
Other Revenue			
Interest income [16]	47,407	(329)	47,736
Non-trust revenue [15]	10,363	0	10,363
Operating transfer [1]	7,445	0	7,445
Permits, fees and miscellaneous [1]	133	0	133
	65,348	**(329)**	**65,677**
Totals	**$8,240,813**	**$5,724,659**	**$2,516,154**

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

Income from these state grant lands supports construction of state government office buildings at the Capitol Campus in Olympia.

The beneficiary's share of income is distributed to the Capitol Building Construction Account.

Normal School Grant (EWU, CWU, WWU and TESC)

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Source	REVENUE Total Funds	DISTRIBUTION EWU, CWU, WWU, TESC Capital Projects	Normal School Permanent	Resource Management Cost Account [14]
Sales				
Timber sales [10, 14]	$3,618,743	$0	$2,546,775	$1,071,968
Timber sales-related activities [1]	1,199	0	839	360
Land sales (includes land bank) [4]	0	0	0	0
	3,619,942	**0**	**2,547,614**	**1,072,328**
Leases				
Agriculture				
Dryland	43,483	30,438	0	13,045
Irrigated	44,823	31,376	0	13,447
Grazing and other	6,472	4,531	0	1,942
Aquatic lands	0	0	0	0
Special use	11,893	8,325	0	3,568
Commercial real estate	0	0	0	0
Mineral and hydrocarbon	2,522	1,766	0	757
Rights-of-way	1,450	0	1,015	435
Communication sites	0	0	0	0
Special forest products	18,972	13,280	0	5,691
	129,615	**89,715**	**1,015**	**38,884**
Other Revenue				
Interest income [16]	25,679	2,604	(43)	23,118
Non-trust revenue [15]	4,792	0	0	4,792
Operating transfer [1]	23,814	0	0	23,814
Permits, fees and miscellaneous [1]	372	0	0	372
	54,657	**2,604**	**(43)**	**52,095**
Totals	**$3,804,213**	**$92,320**	**$2,548,586**	**$1,163,307**

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

Income from these state grant lands supports construction at Eastern Washington University, Central Washington University and Western Washington University (regional universities). These three universities were originally called 'normal schools.' The Evergreen State College (TESC) was added to this trust by the Legislature to begin receiving revenue after July 1, 1995.

The beneficiary's share of income is distributed to the Normal School Permanent Account and capital project accounts for each university. This distribution varies by activity and is governed by law.

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Scientific School Grant (WSU)

	REVENUE	DISTRIBUTION		
Source	Total Funds	WSU Bond Retirement	Scientific Permanent	Resource Management Cost Account [14]
Sales				
Timber sales	$3,893,302	$0	$2,725,312	$1,167,991
Timber sales-related activities [1]	73,767	0	51,622	22,145
Land sales (includes land bank)	0	0	0	0
	3,967,069	**0**	**2,776,933**	**1,190,135**
Leases				
Agriculture				
Dryland	152,881	0	107,016	45,864
Irrigated	831,054	0	581,738	249,316
Grazing and other	2,369	0	1,658	711
Aquatic lands	0	0	0	0
Special use	74,313	0	52,019	22,294
Commercial real estate	0	0	0	0
Mineral and hydrocarbon	24,467	0	17,127	7,340
Rights-of-way	9,263	0	6,484	2,779
Communication sites	547,643	0	383,350	164,293
Special forest products	11,362	0	7,953	3,409
	1,653,350	**0**	**1,157,345**	**496,005**
Other Revenue				
Interest income	122,379	3,590	59,064	59,725
Non-trust revenue [15]	7,223	0	0	7,223
Operating transfer [11]	0	1,211,211	(1,211,211)	0
Permits, fees and miscellaneous [1]	1,334	0	0	1,334
	130,936	**1,214,801**	**(1,152,146)**	**68,282**
Totals	**$5,751,355**	**$1,214,801**	**$2,782,132**	**$1,754,422**

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

Income from these state grant lands supports construction of buildings at Washington State University. The beneficiary's share of income is distributed to the Scientific School Permanent and the WSU Bond Retirement accounts. This distribution varies by activity and is governed by law.

Agricultural College Trust Management Account (ACTMA)

	EXPENDITURES	REVENUE
Source		
Trust Balance (July 1, 2008)		**$200,990**
Revenue		
Operating Revenue *		365
Interfund transfer from General Fund		1,043,000
Total Revenue		**1,043,365**
Less Expenditures [2]		
Agricultural Resources	$29,901	
Asset Management & Protection	68,899	
Product Sales & Leasing	251,040	
Land Management	271,465	
Correctional Camps	2,711	
Administration	6,525	
Interagency payments	46,947	
Agency support	45,419	
Engineering services	57,526	
Total operating expenditures	780,432	
Total capital expenditures	0	
Total expenditures and other charges	**780,432**	
ACTMA Fund Balance (June 30, 2009)		**$463,923**

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

This account funds DNR's management of the Agricultural College trust lands. The ACTMA is funded through an appropriation from the state General Fund. (As of July 1, 1999, Agricultural College trust lands do not contribute to the RMCA, which supports DNR's management of other state grant lands.)

*Includes treasurer's interest. See accompanying notes on pages 40-43.

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Agricultural School Grant (WSU)

	REVENUE	DISTRIBUTION	
Source	Total Funds	WSU Bond Retirement	Agricultural College Permanent
Sales			
Timber sales	$2,865,070	$0	$2,865,070
Timber sales-related activities [1]	3,887	0	3,887
Asset transfer/loan repayment	0	0	0
Land sales (includes land bank)	0	0	0
	2,868,957	**0**	**2,868,957**
Leases			
Agriculture			
Dryland	132,950	0	132,950
Irrigated	91,890	0	91,890
Grazing and other	10,675	0	10,675
Aquatic lands	0	0	0
Special use	1,455	0	1,455
Commercial real estate	5,352	0	5,352
Mineral and hydrocarbon	8,473	0	8,473
Rights-of-way	2,514	0	2,514
Communication sites	122,323	0	122,323
Special forest products	711	0	711
	376,344	**0**	**376,344**
Other Revenue			
Interest income	4,426	1,849	$2,576
Non-trust revenue	0	0	0
Operating transfer [11]	0	378,584	(378,584)
Permits, fees and miscellaneous [1]	0	0	0
	4,426	**380,434**	**(376,008)**
Totals	**$3,249,727**	**$380,434**	**$2,869,293**

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

Income from these state grant lands supports construction of Washington State University's buildings. All revenue from these lands is income for the trust, and is divided between the Agricultural College Permanent Account and the WSU Bond Retirement Account. This distribution varies by activity and is governed by law.

Aquatic Resources

Source	REVENUE Total Funds	DISTRIBUTION Aquatic Lands Enhancement	DISTRIBUTION Resource Management Cost Account
Aquatic Resources Activities			
Leases	$20,166,036	$11,600,767	$8,565,270
Mineral and hydrocarbon	353,638	189,575	164,064
Rights-of-way	280,383	164,233	116,150
Interest income [1]	291,806	43,491	248,315
Non-trust revenue [15]	39,431	729	38,702
Miscellaneous [1]	46,153	2,516	43,637
Total Revenue	**$21,177,448**	**$12,001,310**	**$9,176,138**

RMCA | AQUATIC

	EXPENDITURES	REVENUE
Source		
Trust Balance (July 1, 2008)		**$5,866,163**
Aquatic Revenue		
Operating Revenue *	$9,182,789	
Treasurer Transfer*	(6,649)	
Total Revenue		**9,176,140**
Less Expenditures [2]		
Aquatic resources	5,411,053	
Administration	177,519	
Interagency payments	1,368,244	
Agency support	1,697,312	
Total operating expenditures	8,654,128	
Total capital expenditures	174,869	
Total expenditures and other charges	**8,828,997**	
Trust balance (June 30, 2009)		**$6,213,306**

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

JEFFREY DELIA © 2010

▲ **Max Delia** grades and picks oysters for orders by local wholesale distributors and retail fish markets. Max has worked for his father Jeffrey Delia's Broadspit Oyster Company since he could walk. The company has leased tidelands from DNR since 1981. The 6.24-acre site is at Broad Spit on north Dabob Bay.

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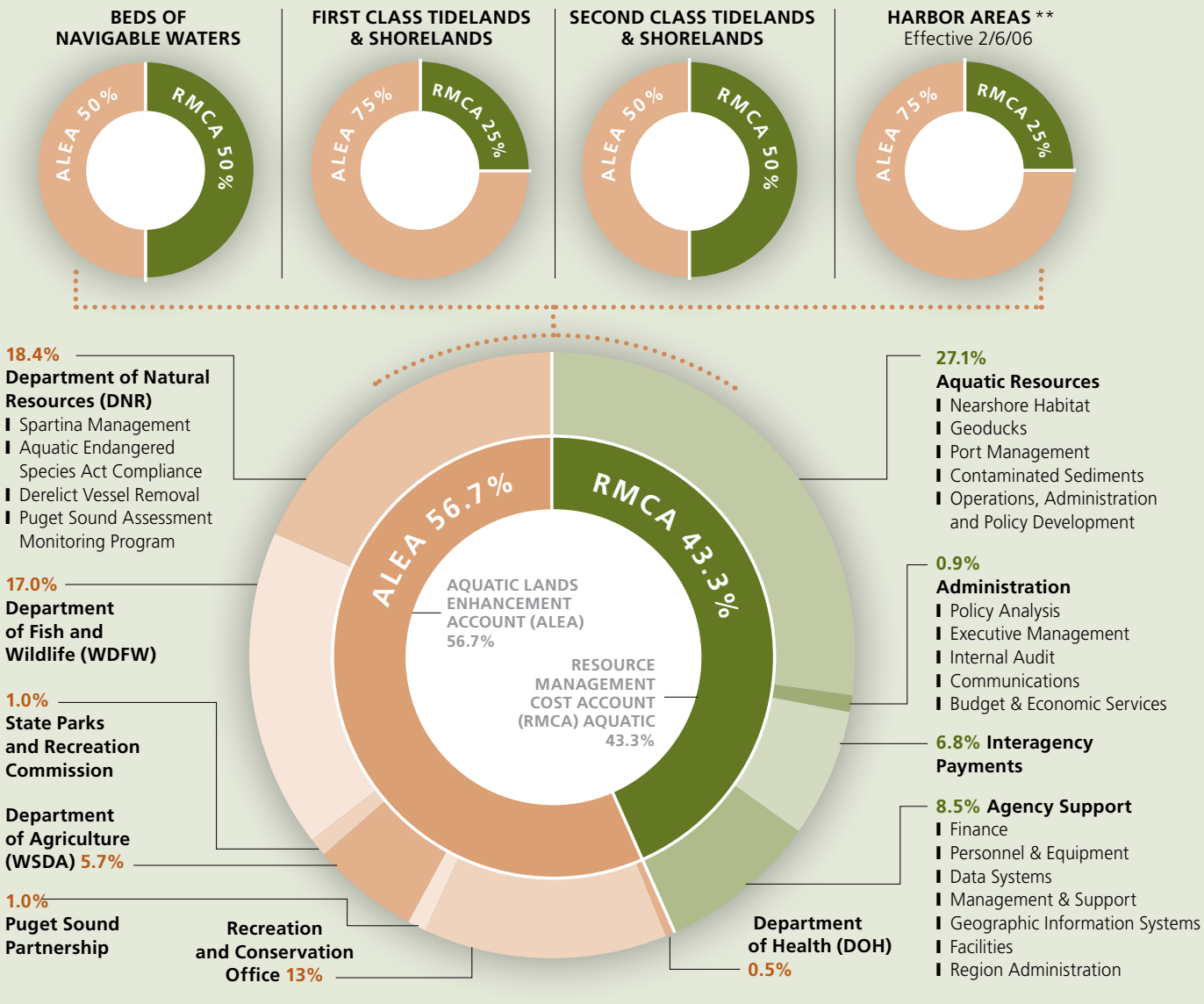
ABOUT THIS PAGE

State-owned aquatic lands (tidelands, shorelands and beds of navigable waters) are a "public trust"– managed to benefit the public as a whole. Revenue from these granted state lands is divided between two accounts:

The RMCA-aquatic supports DNR's management of state aquatic lands and resources, and the ALEA provides for the purchase, improvement and protection of aquatic lands, largely through grants to public entities. Distribution varies according to activity and land classification, and is governed by law.

General* Distribution of Revenue from State-Owned Aquatic Lands



ABOUT THIS PAGE

By law, revenue from state-owned Aquatic lands goes to the ALEA for aquatic resource enhancement and to the RMCA to fund DNR's management of state aquatic lands. Distribution differs for different types of aquatic land — see the small pie charts.

The large pie chart shows the combined total distribution, with the ALEA share divided among state agency expenditures from that account, and the RMCA share divided among DNR's expenditures from the RMCA. Expenditures are appropriated by the Legislature and are ongoing investments to keep the submerged lands productive.

* This chart is based on statewide averages. Detailed breakdown of DNR programs contains examples only, not a complete listing.

** The ALEA portion of revenue from harbor areas in fourth class towns is redistributed to those towns twice per year.

See fiscal note #7, page 40.

Totals may not add, due to rounding.
See fiscal notes, pages 40-43.

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Forest Development Account (FDA)

	EXPENDITURES	REVENUE
Source		
Trust Balance (July 1, 2008)		**$20,413,658**
Revenue		
Operating Revenue *		17,212,546
Interfund transfer from General Fund		(16,000)
Total Revenue		**17,196,546**
Less Expenditures [2]		
Agricultural resources	$0	
Asset management & protection	903,180	
Product sales & leasing	8,051,824	
Land management	8,329,015	
Correctional camps	664,900	
Administration	370,863	
Interagency payments	1,853,728	
Agency support	2,595,597	
Engineering services	1,474,296	
Total operating expenditures	24,243,403	
Total capital expenditures	272,322	
Total expenditures and other charges	**24,515,725**	
FDA Fund Balance (June 30, 2009)		**$13,094,478**

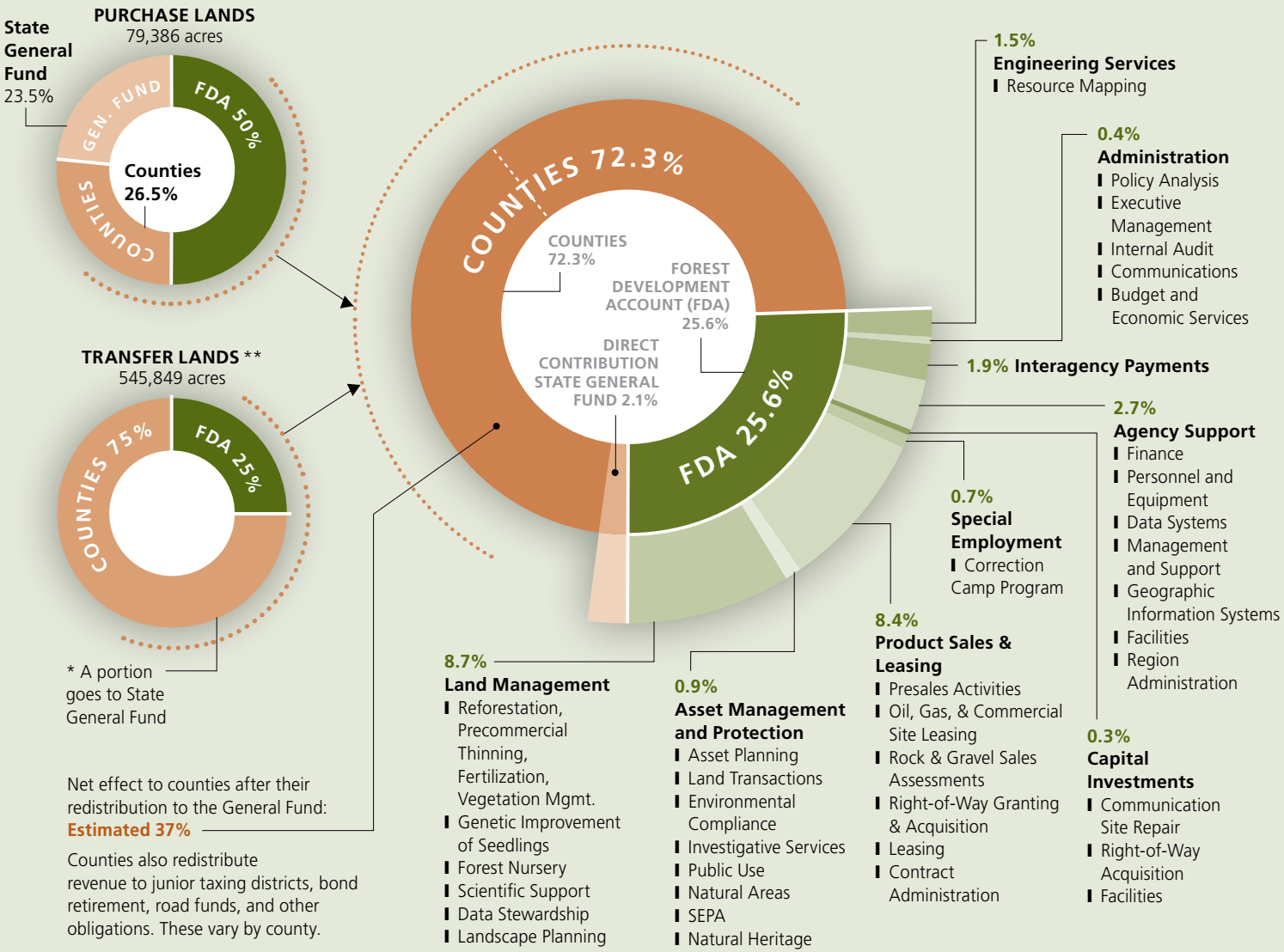
See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

The FDA funds DNR's land management activities on State Forest Lands (formerly known as Forest Board Lands) in 21 counties. DNR deposits a portion of the revenue it generates from these lands into the FDA, and the Legislature appropriates funds from the account to DNR for expenditures. The FDA is used for trust land management expenses (e.g., reforestation, preparing timber sales) on State Forest Lands.

Special appropriation to the Governor for Health Care Authority's insurance accounting system.

General* Distribution of Revenue from State Forest Lands formerly known as Forest Board Lands



ABOUT THIS PAGE

By law, revenue from State Forest Lands (formerly known as Forest Board Lands) goes to the county in which the land is located, the State General Fund for the support of Common Schools, and to the FDA to fund DNR's management of the lands. Distribution differs for Transfer lands and Purchase lands—see the small pie charts.

The large pie chart shows the combined total distribution for Fiscal Year 2009, with the FDA share divided among DNR's expenditures from the account. Expenditures are appropriated by the Legislature and are ongoing investments to keep the lands productive and to generate future revenue.

* This chart is based on statewide averages. Detailed breakdown of DNR programs contains examples only, not a complete listing.

** Effective March 10, 2008, per Board of Natural Resources Resolution No. 1255, the distribution of revenues on State Forest Transfer lands was established at 75 percent to the county and 25 percent to the FDA.

Totals may not add, due to rounding. See fiscal notes, pages 40-43.

State Forest Lands formerly known as Forest Board Lands

Source	REVENUE Total Funds	CONTRIBUTING LANDS Transfer Lands	Purchase Lands
Sales			
Timber sales	$64,922,333	$60,900,443	$4,021,890
Timber sales-related activities [1]	326,623	312,914	13,710
	65,248,957	**61,213,357**	**4,035,599**
Leases			
Agriculture/minor forest products	203,391	167,038	36,354
Commercial/special use	111,991	92,020	19,971
Mineral and hydrocarbon	119,845	119,845	0
Rights-of-way	106,544	106,544	0
Communication sites	1,191,067	801,734	389,333
	1,732,838	**1,287,180**	**445,658**
Other Revenue			
Interest income [1, 16]	(2,789)	(3,461)	672
Permits, fees and miscellaneous [1]	2,667	2,667	0
Treasurer's revenue	25,802	N/A	N/A
FDA non-trust revenue [15]	183,672	N/A	N/A
	209,352	**(794)**	**672**
Totals	**$67,191,146**	**$62,499,743**	**$4,481,929**

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

PHOTO: DONABELANDEWEN@FLICKR

▼ **Forks Community Hospital** is a key healthcare resource for western Clallam and Jefferson counties. Revenues from DNR management and timber sales on State Forest Transfer trust lands in Clallam County provide vital support for the hospital's general fund, as well as for its emergency department and ambulance service, which serve a broad swath of the western Olympic peninsula.

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ABOUT THIS PAGE

Income from these lands is distributed to the counties in which the lands are located, the state General Fund for the support of common schools, and the Forest Development Account (FDA) for DNR's land management expenses on these lands. There are two categories of State Forest Lands (formerly known as Forest Board Lands): Purchase lands and Transfer lands.

Purchase lands were given to the state or purchased by the state at low cost. The FDA receives half the income from these lands. The other half is divided between the respective county and the state General Fund for the support of common schools.

N/A: Not applicable.

State Forest Lands continued

Recipient	REVENUE DISTRIBUTION Total Funds	CONTRIBUTING LANDS Transfer Lands	Purchase Lands
County			
Clallam	$8,371,465	$8,371,465	$0
Clark	698,371	696,616	1,755
Cowlitz	1,748,089	1,746,699	1,390
Grays Harbor	345,701	16,560	329,141
Jefferson	1,464,575	1,464,575	0
King	2,085,509	2,085,509	0
Kitsap	897,164	872,723	24,440
Klickitat	661,431	661,431	0
Lewis	6,221,701	6,215,101	6,600
Mason	1,600,403	1,600,173	229
Okanogan	2	2	0
Pacific	1,972,600	1,359,776	612,823
Pierce	2,002,022	2,002,022	0
Skagit	6,496,491	6,496,491	0
Skamania	413,999	412,529	1,470
Snohomish	6,433,716	6,433,716	0
Stevens	52,267	52,267	0
Thurston	2,014,913	1,470,407	544,506
Wahkiakum	1,146,556	1,146,556	0
Whatcom	3,954,452	3,945,374	9,078
Treasurer's revenue [17]	25,802	N/A	N/A
	48,607,229	**47,049,993**	**1,531,434**
Forest Development Account			
Trust activity	17,010,660	15,447,868	1,562,792
Permits, fees and miscellaneous [1]	2,214	1,883	331
Treasurer's revenue	0	N/A	N/A
FDA non-trust revenue [15]	183,672	N/A	N/A
	17,196,546	**15,449,750**	**1,563,123**
General Fund - State			
FDA non-trust revenue [15]	**1,387,372**	**0**	**1,387,372**
Totals	**$67,191,146**	**$62,499,743**	**$4,481,929**

See fiscal notes, pages 40-43. Totals may not add, due to rounding.

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ABOUT THIS PAGE

Transfer lands were forfeited to the counties in which they were located when the private landowners failed to pay property taxes, primarily in the 1920s and 1930s. The counties turned the lands over to the state. DNR now manages these lands and distributes at least 75 percent of the income to the counties and up to 25 percent of the income to the Forest Development Account (FDA).

(As of July 1, 1997, under Board of Natural Resources Resolution No. 97-919, the amount distributed to the counties increased to 78 percent, and the amount distributed to the FDA was reduced to 22 percent. Effective March 10, 2008, per Board of Natural Resources Resolution No. 1256, the distribution of revenue on state forest transfer lands was established at 75 percent to the county and 25 percent to the Forest Development Account (FDA).

N/A: not applicable.

Fiscal Notes

These numbered notes provide context and explanations for data in the tables on the fiscal pages that follow, where they are referred to by numerical superscript. A note may apply to more than one page. Although similar to notes in prior reports, these notes apply only to this report (FY 2009).

ACRONYMS

ACTMA	Agricultural College Trust Management Account
AFRS	Agency Financial Reporting System
ALEA	Aquatic Lands Enhancement Account
CEP&RI	Charitable, Educational, Penal and Reformatory Institutions Trust
COLA	Cost of Living Adjustment
CWU	Central Washington University
EWU	Eastern Washington University
FDA	Forest Development Account
FY09	Fiscal Year 2009 July 1, 2008 – June 30, 2009
K-12	Kindergarten to 12th grade schools
RMCA	Resource Management Cost Account
TESC	The Evergreen State College
UW	University of Washington
WSU	Washington State University
WWU	Western Washington University

1 | REVENUE SOURCES

Timber sales include non-trust activity for contract harvesting sales.

Timber sale-related activities include contract extensions, slash disposal, trespasses, and default settlement payments.

Miscellaneous sales include publications, GIS data, honor camp activities, and surveys and maps.

Miscellaneous leases include special use and special forest products.

Interest income includes interest on contracts, interest assessed for late payments, and interest earned from account (treasurer's interest).

Permits, fees and related charges include surface mining permits, log patrol licenses, aquatic lands dredged material disposal site fees, forest practices damage assessments and permits, survey records recording fee, application/assignment fees, burning permit fees, and local government assessments.

Miscellaneous other revenue includes prior period adjustments, recoveries of prior biennium expenditures, treasurer transfers, as well as revenue from the Off-Road Vehicle and Natural Resources Conservation Areas Stewardship accounts. For Fiscal Year 2009, this category includes operating transfers out by the state treasurer for funding Health Care Authority's insurance accounting system.

Operating transfers include transfers attributed to prior period revenue.

2 | EXPENDITURE CATEGORIES

Administration includes Executive Management, Internal Audit, Communications, and Budget & Economics.

Interagency payments are payments made to other state agencies (the Attorney General, State Auditor, General Administration, Dept. of Personnel, Office of Financial Management, Dept. of Information Services, OMWBE, and Secretary of State) for services they provide to the Department.

Agency support includes the following programs: Human Resources (personnel, safety, training), Financial Management (accounting, risk management, purchasing), Information Technology, Geographic Information Systems, Facilities, and Region Administration.

Total Expenditures for Fiscal Year 2009 do not include the interfund transfer (subobject MB) from General Fund to the Agricultural College Trust Management Account in the amount of $1,043,000 (see footnote #5).

3 | LAND TRANSFERS

Real Property Replacement: During Fiscal Year 2009 a total of $11,235,600, an amount equivalent to the property value, was received from: (1) transfers to other government entities, (2) resolution of trespass violations, or (3) transfers in lieu of condemnation. This money is used to acquire replacement trust lands.

Trust Land Transfer: During Fiscal Year 2009 a total of $58,795,600 was distributed to the Common School Construction Account from the Trust Land Transfer program.

4 | LAND BANK

DNR uses the Land Bank program (RCW 79.19) to reposition trust land assets for better future income production. Through the Land Bank, state trust lands are first auctioned to private buyers. Proceeds of land sales made under this "sell first" process are held in the Resource Management Cost Account (RMCA) until they can be used to purchase replacement trust lands. This revenue from trust property sales should equal or exceed the cost of trust property purchases. However, during any one fiscal year the transactions may not balance (e.g., a property has been sold, but property to replace it has not yet been purchased). Land bank transactions are accounted for by trust within each of DNR's management funds.

Revenue from Fiscal Year 2009 sales, existing contracts and interest was $600,701 to the RMCA. A total of $28,405,132 in the RMCA is reserved to acquire property to replace trust property previously sold through the "sell first" process of the Land Bank program.

5 | AGRICULTURAL COLLEGE TRUST MANAGEMENT ACCOUNT

Per RCW 79.64.090, the revenue on Agricultural College Trust lands is distributed 100 percent to the Agricultural College Permanent Fund or WSU Bond Retirement Account. The management of the Agricultural College Trust lands is funded from the Agricultural College Trust Management Account. This account is dependent on legislative appropriation for funding. Currently the Legislature appropriates the money for this purpose from General Fund under a proviso. For Fiscal Year 2009, the total interfund transfer from General Fund was $1,043,000.

6 | OFF-ROAD VEHICLE (ORV) ACCOUNT

This fund provides for acquisition, planning, development, maintenance and management of ORV recreation facilities, non-highway roads and non-highway road recreation facilities; education and law enforcement programs related to non-highway vehicles; and construction and maintenance of campgrounds and trailheads.

DNR, the Department of Fish and Wildlife, and the Parks and Recreation Commission spend from the fund in support of these functions. The Department of Licensing collects revenue for the fund from taxes, licenses, permits and fees. DNR administers the fund according to Legislative appropriations.

See Figure 1 for the account's total fiscal activity for Fiscal Year 2009.

7 | AQUATIC LANDS ENHANCEMENT ACCOUNT

This fund provides for the purchase, improvement and protection of aquatic lands for public purposes. DNR, the Department of Fish and Wildlife, the Department of Agriculture, the Parks and Recreation Commission, the Recreation and Conservation Funding Board (formerly known as Interagency Committee for Outdoor Recreation), the Department of Health and the Puget Sound Partnership (a new agency in Fiscal Year 2008) spend from the fund for these purposes. DNR administers this fund and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report.

See Figure 2 for the account's total fiscal activity for Fiscal Year 2009.

8 | DERELICT VESSEL REMOVAL ACCOUNT

This fund provides for costs and reimbursements to authorized public entities for the removal of derelict and abandoned vessels. DNR spends from the fund for these purposes, and the Department of Licensing spends from the account for the purpose of administering the collection of revenue for the fund. DNR administers this fund, and only the DNR fiscal activity is reported on the Department-administered funds section of the annual report.

See Figure 3 for the account's total fiscal activity for Fiscal Year 2009.

9 | FOREST AND FISH SUPPORT ACCOUNT

This account was created in 2007 to provide for activities pursuant to the state's implementation of the Forests and Fish Report as defined in Chapter 76.09 RCW and related activities, including, but not limited to, adaptive management, monitoring, and participation grants to tribes, state and local agencies, and not-for-profit public interest organizations.

DNR spends from the fund for these purposes, and the Department of Revenue spends from the account for the purpose of administering the collection of revenue for the fund. Sources of revenue for this account include surcharge on timber and wood product manufacturers, extractors, and wholesalers per RCW 82.04.260 (12).

DNR administers this fund, and only the DNR fiscal activity is reported on the Department-administered funds section of the annual report. **See Figure 4** for the account's total fiscal activity for Fiscal Year 2009.

10 | FDA/RMCA LOAN REPAYMENT

The Board of Natural Resources resolution No. 635 in 1990 and No. 756 in 1992 authorized settlement of the FDA debt to the RMCA by transferring timber-cutting rights on State Forest Purchase lands to the Common School, Capitol Building, Normal School, and University granted trusts. A one-third interest in assets (timber cutting rights) of the FDA on 35,655 acres was transferred to these trusts. The value of these transfers eliminated the debt between FDA and RMCA.

A total of $1,256,017 was distributed to the trusts from timber harvested during Fiscal Year 2009. The RMCA received $314,004 from this activity. Since this is repayment of a loan, the transactions are recorded as an operating transfer rather than current period revenue.

The values from the harvest activity by fund as well as RMCA trust for Fiscal Year 2009 and in total since the adoption of Resolution No. 635 in 1990 are in **Figure 5.**

11 | OPERATING TRANSFERS

According to the Office of Financial Management's interpretation of generally accepted accounting principles, debt service funds (funds used to pay off debts), such as the UW or WSU Bond Retirement accounts, cannot receive revenue directly. Instead, revenue to these two funds are recorded to the respective permanent funds, and then an operating transfer is made to the appropriate debt service fund.

12 | TRUST FUNDS– CURRENT AND PERMANENT

Trust Current Funds are funds that individual trust beneficiaries can draw from. Trust Permanent Funds are endowments, which generate interest that can be transferred to the Current Funds.

13 | FISCAL ACTIVITY FOR OTHER TYPE FUND(S) ADMINISTERED BY DNR

Natural Resources Equipment Account: Total other fiscal activity does not include funds classified as internal service funds. The Natural Resources Equipment Account is the Department's only internal service fund. This fund is used to maintain, replace and provide equipment to the Department's programs on a rental basis. In Fiscal Year 2009, this fund had revenue of $15,604,687 and expenses of $21,409,397.

Figure 1

Off-Road Vehicle Account		
Beginning Balance		**$545,068**
Revenue		
Licensing	$2,260,639	
Natural Resources	4,163	
Special Appropriation to the Governor*	(2,000)	2,262,802
Expenditures		
Natural Resources	(1,763,116)	
Parks and Recreation	(130,613)	
Fish and Wildlife	(131,572)	(2,025,301)
Net Fiscal Activity		237,501
Ending Balance		**$782,569**

*Operating transfer out for Health Care Authority's insurance accounting system.

Figure 2

Aquatic Lands Enhancement Account		
Beginning Balance		**$9,848,287**
Revenue		
Natural Resources	$11,998,135	
Fish and Wildlife	23,034	
Health	13,411	
Distribution to Fourth Class Towns	(85,006)	
Special Appropriation to the Governor*	(4,000)	
Treasurer's Deposit Income	7,175	11,952,749
Expenditures		
Natural Resources	(4,316,116)	
Fish and Wildlife	(3,223,633)	
Recreation & Conserv. Funding Board	(3,040,297)	
Agriculture	(955,572)	
Health	(510,029)	
Puget Sound Partnership	(244,261)	
Parks and Recreation	(185,650)	
Ecology	(104,434)	(12,579,992)
Net Fiscal Activity		(627,244)
Ending Balance		**$9,221,043**

*Operating transfer out for Health Care Authority's insurance accounting system.

14 | RMCA PORTION OF TRUST LAND REVENUES

The Resource Management Cost Account received 30 percent on most transactions, and the trusts received 70 percent of revenue from trust lands during Fiscal Year 2009.

Figure 3

Derelict Vessel Removal Account		
Beginning Balance		**$2,999,543**
Revenue		
Natural Resources	$34,908	
Licensing	822,031	856,939
Expenditures		
Natural Resources	(2,961,001)	
Licensing	0	(2,961,001)
Net Fiscal Activity		(2,104,061)
Ending Balance		**$895,482**

Figure 4

Forest and Fish Support Account		
Beginning Balance		**$1,583,000**
Revenue		
Dept. of Revenue		3,377,280
Expenditures		
Natural Resources		(2,795,153)
Net Fiscal Activity		582,127
Ending Balance		**$2,165,127**

Figure 5

FDA/RMCA Loan Repayment		
	FY 2009	**Total-To-Date**
Common School Construction Account	$167,022	$17,679,439
Capitol Building Construction Account	63,669	6,739,403
Normal School Permanent Account	203,810	21,673,449
State University Permanent Account	507,511	10,731,074
Total Trust Funds	**$942,013**	**$56,823,364**
Resource Management Cost Account		
Common School Trust	$55,732	$5,889,121
Capitol Building Trust	21,262	2,247,132
Normal School Trust	67,840	7,168,317
University School Trust	169,171	3,577,025
Total RMCA	**$314,004**	**$18,881,594**

Also, some revenue transactions are subject to different distribution ratios. These transactions include aquatic resources, miscellaneous non-trust revenue, interest earnings, land sales transactions and interfund loan repayment, the latter of which affects the Common School, University, Capitol Building and Normal School trusts.

Figure 6 reflects trust activity with Forest Board Repayment activity. Refer to footnote #18 for trust activity related to University Trust.

Figure 6

Common School / Escheat Trust				
Trust Activity	**Total Revenue**	**Com. Sch. Construction**	**Com. Sch. Permanent**	**RMCA**
Timber Sales	$33,371,148	$23,352,866	$0	$10,018,282
Timber sales-related	138,118	141,955	0	(3,837)
Leases	25,855,694	17,788,577	316,963	7,750,154
Misc interest income	99,546	68,658	(393)	31,281
Fees/service charges	55,487	0	0	**55,487**
Operating transfer-in	222,754	167,022	0	55,732
Subtotal	**59,742,747**	**41,519,078**	**316,570**	**17,907,099**
Forest Board Repayment				
Sales	242,282	0	0	242,282
Operating transfer-out	(222,754)	0	0	(222,754)
Total trust activity	**59,762,275**	**41,519,078**	**316,570**	**17,926,627**
Non-trust activity				
STO interest	1,029,949	47,550	0	982,399
Land sales/Trust Land Transfer	58,413,900	58,795,600	0	(381,700)
Other revenue	314,976	0	237,912	77,064
Total Non-trust activity	**59,758,825**	**58,843,150**	**237,912**	**677,763**
GRAND TOTAL	**$119,521,100**	**$100,362,228**	**$554,482**	**$18,604,390**

15 | NON-TRUST REVENUE

Non-trust revenue cannot be attributed to a specific trust. Activities include forest road assessments, miscellaneous services, manuals & publications, prior period recoveries and adjustments, application fees, and interest income.

16 | NEGATIVE TRUST REVENUE

Any negative revenue reflects accounting adjustments (such as bad-debt write-offs, credit memos) from a prior fiscal year. For Fiscal Year 2009, this includes the operating transfers out by the State Treasurer for funding the Health Care Authority's insurance accounting system.

17 | TREASURER'S REVENUE

Due to the schedule for distributing revenue, revenue from State Forest Lands may earn interest before it is distributed to the appropriate county. Interest earnings cannot be attributed specifically to Transfer lands or Purchase lands. This revenue is accounted for as treasurer's revenue and is distributed to the appropriate county.

18 | UNIVERSITY TRUST – ORIGINAL, TRANSFERRED, REPAYMENT

The accounting for the University Trust combines activity from original University trust lands, lands which have been transferred to the trust, and the University trust's share of interfund loan repayment as described in footnote #10. **See Figure 7** for the breakdown of the different elements contributing to the information for University Grants.

19 | OVERSTATED REVENUE

In Fiscal Year 2007, $659,676 of revenue to the University Bond Retirement Fund was recorded to the University Permanent Fund but was not transferred to the University Bond Retirement Fund. As a result, the University Bond Retirement Fund was understated by $659,676, while the University Permanent Fund was overstated by the same amount. Beginning in March 2008, the Department began transferring revenues that otherwise would have gone to the University Permanent Fund to the University Bond fund to reverse the effect on revenues to the two funds. In Fiscal Year 2009, revenues to the University Bond Retirement Fund are $250,000 higher, while revenues to the University Permanent Fund are $250,000 lower than they otherwise would have been. The balance of $150,000 will be corrected in Fiscal Year 2010.

Figure 7

Capitol Building			
Trust Activity	**Total Revenue**	**Cap. Bldg. Construction**	**RMCA**
Timber Sales	$7,907,870	$5,535,509	$2,372,361
Timber sales-related	8,834	4,689	4,145
Leases	173,830	121,121	52,709
Late interest	(5,221)	(3,632)	(1,589)
Fees/service charges	133	0	133
Operating transfer-in	84,931	63,669	21,262
Subtotal	**8,170,377**	**5,721,356**	**2,449,021**
Forest Board Repayment			
Sales	92,376	0	92,376
Operating transfer-out	(84,931)	0	(84,931)
Total trust activity	**8,177,822**	**5,721,356**	**2,456,466**
Non-trust activity			
STO interest	52,629	3,304	49,325
Other revenue	10,363	0	10,363
Total Non-trust Activity	**62,992**	**3,304**	**59,688**
GRAND TOTAL	**$8,240,814**	**$5,724,660**	**$2,516,154**

Normal School				
Trust Activity	**Total Revenue**	**Capital Projects**	**Normal Sch. Permanent**	**RMCA**
Timber Sales	$3,347,093	$0	$ 2,342,965	$1,004,128
Timber sales-related	1,156	(0)	796	360
Leases	129,614	89,715	1,015	38,884
Late interest	1,041	728	0	313
Fees/service charges	372	0	0	372
Operating transfer-in	271,650	0	203,810	67,840
Subtotal	**3,750,926**	**90,443**	**2,548,586**	**1,111,897**
Forest Board Repayment				
Sales	295,464	0	0	295,464
Operating transfer-out	(271,650)	0	0	(271,650)
Total trust activity	**3,774,740**	**90,443**	**2,548,586**	**1,135,711**
Non-trust activity				
STO interest	24,682	1,877	0	22,805
Land sales / Trust Land Transfer	0	0	0	0
Other revenue	4,792	0	0	4,792
Total Non-trust Activity	**29,474**	**1,877**	**0**	**27,597**
GRAND TOTAL	**$3,804,214**	**$92,320**	**$2,548,586**	**$1,163,308**

Figure 7 (continued)

Common School / Escheat Trust				
Trust Source/Activity	**Total**	**Bond Retirement**	**University Permanent**	**RMCA**
University-Transferred				
Timber sales	$3,924,191	$0	$2,746,232	$1,177,959
Timber sales-related	3,494	0	2,446	1,048
Leases	178,584	0	125,009	53,575
Misc-Trespass	318	0	175	143
Late interest	1,909	0	1,332	577
Sale of property-other	0	0	0	0
Fees/service charges	92	0	0	92
Operating transfer-in*	3,986,985	3,310,303	507,511	169,171
Operating transfer-out*	(3,310,303)	0	(3,310,303)	0
Total	**4,785,270**	**3,310,303**	**72,402**	**1,402,565**
University-Original				
Timber sales	40,588	0	28,297	12,291
Leases	111,130	0	77,791	33,339
Fines & forfeits	0	0	0	0
Late interest	(1,196)	0	(811)	(385)
Fees/service charges	30	0	0	30
Operating transfer-in	83,830	83,830	0	0
Operating transfer-out	(83,830)	0	(83,830)	0
Total	**150,552**	**83,830**	**21,447**	**45,275**
University-Repayment				
Timber sales	728,841	0	0	728,841
Operating transfer-out	(676,682)	0	0	(676,682)
Total	52,159	0	0	52,159
Non-trust allocation				
STO interest	32,028	1,909	0	30,119
Non-trust revenue allocation	6,324	0	0	6,324
Total	**38,352**	**1,909**	**0**	**36,443**
GRAND TOTAL	**$5,026,333**	**$3,396,042**	**$93,849**	**$1,536,442**

*Fiscal Year 2009 University Transferred (trust 05) operating transfer from the permanent account (Fund 607) to the bond retirement account (Fund 348) is overstated by $250,000. See footnote #19.

Statutory Authority and Requirements

Subject to legislative appropriation, the Department of Natural Resources is authorized by RCW's 76.12.110 and 79.64.030 to use funds from the Resource Management Cost Account (RMCA) and Forest Development Account (FDA) interchangeably in the management of State Grant Lands and State Forest Lands. The law also states, however, that an annual accounting will be kept of payments made by one fund on behalf of another. For example, when RMCA funds are used to pay for activities on State Forest Land, it shall be considered a debt against the FDA. RCW 79.64.030 also requires that the results of the accounting be reported to the Legislature at the next regular session. Beginning with Fiscal Year 1996, the following Cost Allocation System accounting procedures have been used to calculate any debt or loan between the management funds:

Accounting Procedures

A. All operating program expenditures that can be determined to benefit a particular land category are directly charged to that land category.

B. Expenditures for majority of the Department's operating programs for which the benefiting land category cannot be determined (indirect expenditures) are allocated to land categories based on staff month percentages derived from personnel time charged directly to those land categories or by Western Washington forested acres.

C. Capital outlay expenditures that benefit particular land categories are determined in advance then charged by land category in the ratio set by appropriations.

D. Agency administration and support costs are allocated to land category based on agency work plans for the year as established during the budget process.

E. Direct charges and indirect charges are totaled by land category within the Cost Allocation System. Expenditures paid from the RMCA and FDA accounts are compared to these total charges for Grant Lands and State Forest Lands to determine how much of the charges were paid from one account on behalf of the other. If RMCA funds were used to pay State Forest charges, a debt principal is incurred in that amount. If State Forest funds were used to pay RMCA charges, the debt principal is reduced by that amount. Funding adjustments may be made periodically during the fiscal year to align expenditures by fund with total charges for Grant Lands and State Forest Lands to prevent the accumulation of any new debt in the year.

F. As required by law, interest is charged on the debt incurred. A full year's interest is charged on cumulative debt carried from the previous year. One half year's interest is calculated on the change in the debt principal occurring during the current year.

G. Cumulative debt from the preceding year plus new principal and interest charges are totaled to determine the new cumulative debt.

RMCA/FDA Debt/Loan Accounting For Fiscal Year 2009		
Beginning Balance	**Grant Lands**	**State Forest Lands**
2009 Trust Charges	$41,431,154	$24,515,723
RMCA Expenditures	41,431,154	0
FDA Expenditures	0	24,515,723
Cumulative Debt/Loan	**0**	**0**

Fiscal Year 2009 Management Fund Debt Status

As of June 30, 2009, no debt exists between the State Forest Lands (Forest Development Account) and the Grant Lands (Resource Management Cost Account).

Timber Volume | Sold and Harvested

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Trust / Beneficiaries	Acres	Timber Volume[1] Sold (mbf)[2]	Timber Volume Harvested[3] (mbf)[2]
State Forest Transfer (formerly known as Forest Board Transfer lands)			
Clallam	368	15,985	42,480
Clark	549	20,176	3,013
Cowlitz	299	16,880	7,088
Grays Harbor	0	0	125
Jefferson	118	396	6,246
King[4]	111	4,524	9,629
Kitsap	23	678	3,027
Klickitat	152	2,925	2,102
Lewis	412	22,683	26,098
Mason	2,097	11,120	6,747
Pacific	537	15,571	11,185
Pierce	57	782	7,499
Skagit	1,967	25,105	27,817
Skamania	162	7,833	893
Snohomish	1,027	43,780	22,016
Thurston	163	7,014	6,229
Wahkiakum	185	9,635	5,913
Whatcom	520	18,752	17,251
Sub-Total Transfer	**8,747**	**223,840**	**205,358**
State Forest Purchase			
Clark	0	0	50
Grays Harbor[5]	203	8,223	5,324
Lewis	0	0	92
Pacific[6]	63	3,124	6,821
Thurston[5]	23	1,146	4,797
Whatcom	869	2,053	0
Sub-Total Purchase	**1,158**	**14,546**	**17,084**
Common School, Indem. & Esch.	16,429	191,285	156,410
Agricultural School	341	11,047	16,424
University Transferred & Orig.	3,024	32,532	32,264
CEP & RI	438	13,504	13,517
Capitol Building	1,196	26,686	32,878
Normal School	924	10,038	15,236
Scientific School	885	22,153	14,813
Comm. College Forest Reserve	1	4	938
2nd Cl. Tidelands & Shorelands	0	0	17
Subtotal-Granted Trusts	**23,238**	**307,249**	**282,497**
Total - All TRUSTS	**33,143**	**545,634**	**504,939**
Total - Trust Land Transfer to Common School Trust		**160,408**	

ABOUT THIS PAGE

[1] Timber volume sold per acre depends on site-specific conditions and harvest method.

[2] mbf: thousand board feet

[3] Volume harvested is estimated for sales partially harvested.

[4] Includes Water Pollution Control data.

[5] Includes Forest Board repayment. (See Fiscal Section, page 40, note 9.)

[6] Includes University repayment data.

Notes

- Timber is sold before it is harvested. Timber sale contracts are up to two years in length, with timber harvest schedules determined by individual purchasers. Sale and harvest of timber may or may not occur in the same fiscal year. Revenues are generated when timber is harvested.
- Market conditions can influence number of sales and volume sold.
- Sales which contain more than one trust and/or beneficiary report estimated acres and volumes for each specific trust. Sales which benefit more than one trust distribute revenues proportionally by volume and not by acres.
- Numbers may not add due to rounding.

Sources

DNR NaturE System database, Report TSC311; 12/09.

Silviculture[1]

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Trust / Beneficiaries	Acres Planted[2]	Stems per Acre[3]	Precommercially Thinned Acres[4]
State Forest Transfer (formerly known as Forest Board Transfer lands)			
Clallam	983	354	243
Clark	650	394	136
Cowlitz	105	409	0
Grays-Harbor	0	0	52
Jefferson	243	332	0
King	216	366	36
Kitsap	124	293	0
Klickitat	50	226	0
Lewis	625	404	0
Mason	453	302	0
Pacific	166	324	18
Pierce	69	360	0
Skagit	938	374	0
Skamania	10	396	59
Snohomish	344	339	0
Thurston	110	392	60
Wahkiakum	161	317	0
Whatcom	353	366	0
Sub-Total Transfer	**5,600**		**604**
State Forest Purchase			
Clark	10	390	32
Cowlitz	76	359	0
Grays-Harbor	415	379	277
Lewis	28	332	0
Pacific	125	372	127
Pierce	3	360	0
Skamania	0	0	18
Thurston	466	408	105
Sub-Total Purchase	**1,123**		**631**
Comm. School, Indemnity	6,628	297	2,052
Agricultural School	794	313	0
CEP&RI	320	289	49
University, Orig. & Transf.	932	315	431
Capitol Building	1,090	364	409
Normal School	170	387	561
Scientific School	563	352	9
Total - All TRUSTS	**17,220**		**4,746**

ABOUT THIS PAGE

- 2009 Annual report to Trust Beneficiaries per RCW 79.10.010

[1] Silvicultural activities are forest management practices; implementation of silvicultural practices varies according to site-specific conditions and availability of management funding.

[2] Acres planted include all planting processes and all tree species.

[3] Stems per acre planted depend on site-specific conditions and anticipated survival rates.

[4] Precommercially thinned acres increase yield rate per acre by selectively decreasing overcrowding of saplings.

- Numbers may not add due to rounding.

Sources

DNR Planning and Tracking System database. 08/09

Timber Acres Harvested[1]

Trust / Beneficiaries	Acres Commerc. Thinned/ Small Wood[2]	Acres Partially Cut/Older Stand Thinning[3]	Acres Clearcut/ Regenerat. Thinning[2]	Total Acres[4]	Average Year of Clearcut Stand
State Forest Transfer (formerly known as Forest Board Transfer lands)					
Clallam	0	9	1,675	1,684	1940
Clark	0	41	96	137	1943
Cowlitz	5	0	288	293	1940
Grays Harbor	0	0	3	3	1938
Jefferson	0	0	194	194	1931
King	0	0	214	214	1936
Kitsap	0	19	142	161	1933
Klickitat	0	68	61	129	1914
Lewis	0	0	1,640	1,640	1939
Mason	0	53	253	306	1939
Pacific	0	139	438	577	1937
Pierce	0	144	64	208	1925
Skagit	365	29	702	1,096	1935
Skamania	0	76	4	80	1927
Snohomish	0	78	440	518	1925
Thurston	0	0	230	230	1940
Wahkiakum	0	0	150	150	1926
Whatcom	0	0	317	317	1925
Sub-Total Transfer	**370**	**656**	**6,911**	**7,937**	**1935**
State Forest Purchase					
Clark	0	5	1	6	1946
Grays Harbor**	0	0	218	218	1947
Lewis	0	0	3	3	1936
Pacific*	0	0	142	144	1917
Thurston**	0	0	121	121	1945
Sub-Total Purchase	**0**	**5**	**485**	**492**	**1944**
Common School, Indem. & Esch.	222	2,407	9,128	11,757	1935
Agricultural School	49	223	447	719	1935
University Transferred & Orig.	157	523	1,107	1,787	1950
CEP & RI	15	240	384	639	1930
Capitol Building	84	371	1,381	1,836	1935
Normal School	1	157	914	1,072	1927
Scientific School	218	247	412	877	1939
Comm. College Forest Reserve	0	0	28	28	1933
Administrative Sites	0	0	1	1	1955
2nd Cl. Tidelands & Shorelands	0	0	23	23	1900
Subtotal-Granted Trusts	**746**	**4,168**	**13,825**	**18,739**	
Total - All TRUSTS	**1,116**	**4,829**	**21,221**	**27,168**	**1933**

ABOUT THIS PAGE

[1] The Department tracks harvest method information in ten categories; for purposes of this report, per RCW 79.10.010, the data are aggregated into three harvest methods.

[2] Commercial thinning/small wood generates revenue, promotes growth of the remaining trees, and creates desired future forest conditions.

[3] Partial cuts/older stand thinnings generate revenue and help achieve desired future forest conditions.

[4] Total acres include total of all harvest activities.

* Includes University repayment
** Includes Forest Board repayment

Notes

- Harvested acres shown are Fiscal Year 2009 activities only; acres are reported again in the future if additional harvest activities occur. Acres harvested are estimated for sales partially harvested. Timber volume harvested per acre depends on site-specific conditions and harvest method.
- Sales which contain more than one trust beneficiary report estimated acres harvested for each specific trust. Sales which benefit more than one trust distribute revenues proportionally by volume and not by acres.
- Numbers may not add due to rounding.

Sources

DNR NaturE System database, Report TSC348P2, 12/09.

Deferrals formerly known as Acres Off-Base for Harvest

Annual Report 2009

Trust / Beneficiaries	No Deferral Acres	Short-Term Def. Acres	Long-Term Def. Acres
State Forest Transfer (formerly known as Forest Board Transfer lands)			
Clallam	70,202	0	16,537
Clark	20,242	0	4,748
Cowlitz	9,670	0	693
Grays-Harbor	1,855	0	324
Jefferson	12,528	0	375
King	17,153	597	4,592
Kitsap	6,784	0	585
Klickitat	16,658	0	2,712
Lewis	32,846	0	1,646
Mason	23,793	391	2,306
Okanogan	9	0	0
Pacific	8,871	87	5,503
Pierce	7,875	0	569
Skagit	60,276	0	17,063
Skamania	25,311	0	11,158
Snohomish	50,936	82	7,262
Stevens	120	0	7
Thurston	16,629	0	1,667
Wahkiakum	8,680	0	3,697
Whatcom	25,494	8,680	9,846
Sub-Total Transfer	**415,933**	**1,157**	**91,289**
State Forest Purchase			
Clallam	182	0	49
Clark	2,359	0	1,312
Cowlitz	248	0	20
Grays-Harbor	24,368	0	3,024
Jefferson	18	0	0
Kitsap	76	0	0
Klickitat	36	0	0
Lewis	2,839	0	47
Mason	395	0	101
Pacific	5,546	166	2,108
Pierce	3,158	0	64
Skamania	3,154	0	1,117
Snohomish	1,557	0	5
Stevens	40	0	0
Thurston	20,107	0	2,134
Whatcom	658	0	265
Sub-Total Purchase	**64,741**	**166**	**10,246**
Comm. School, Ind. & Esch.	836,362	2,726	136,317
Agricultural School	47,638		4,904
CEP&RI	34,931	62	4,236
University, Orig. & Transf.	43,623	915	10,224
Capitol Building	75,737	787	20,808
Normal School	42,869	20	9,306
Scientific School	53,371	150	9,531
Comm. & Technical College	3,109	0	61
Other lands*	0	0	88,549
Total - All TRUSTS	**1,618,311**	**5,983**	**385,472**

ABOUT THIS PAGE

- With the adoption of the 2004 Sustainable Harvest Level, DNR no longer classifies lands as "off-base" or "on-base," but instead designates deferral status.
- Long-term deferral approximates "off-base."
- 2009 Annual Report to Trust Beneficiaries per RCW 79.10.010.
- Deferral status is determined by whether the silviculture and land management activities, including harvest, are permitted or deferred for a period of time. Short-term deferrals represent forestlands anticipated to be deferred from harvest between 2008 and 2018. Long-term deferrals represent forestlands anticipated to be deferred from harvest beyond 2019 and forestlands managed for non-timber harvest revenue objectives.
- Acres are designated as deferrals because they are inoperable, are low site, contain permanent research plots, are upland wildlife management areas, are timber gene pool reserves, are on unstable slopes in riparian buffers, are located in a northern spotted owl nest patch, contain a northern spotted owl site center, are identified as marbled murrelet habitat, are included in the Olympic Experimental State Forest deferral areas, or are the result of the Settlement Agreement reached in 2006, the 2006 Riparian Restoration Strategy or the 2006 Policy for Sustainable Forests Old-Growth Policy (all of these decisions were included in the 2007 sustainable harvest adjustment for western Washington State Trust forestlands). A site can be deferred due to one or more factors.
- Deferral classifications are not permanent designations. DNR may change the classification as specific forest stands or sites are re-evaluated. Acreage updates and changes can occur over time due to technological refinements in data gathering and analysis.
- Numbers may not add due to rounding or potential double counting.

* Includes Land Bank, Natural Resources Conservation Areas, Natural Area Preserves, administrative sites, TIDE-2nd, UC-Private, and Water Pollution Control trust data.

Sources: Deferral Status of State Forestlands, DNR Land Management Division 2009.

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CYPRESS ISLAND NATURAL RESOURCES CONSERVATION AREA (NRCA)
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